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TUESDAY 7 MAY 1996 40p (1R 45p)

INSIDE SECTION TWO

Independent's revelation of Qana video tape provokes storm at UN over death of refugees

Israel disputes deliberate killing claim

DAVID USBORNE
New York and
ROBERT FISK
Qana

Israel yesterday mounted a high stakes campaign at the United Nations to deflect allegations that it intentionally targeted refugees in southern Lebanon last month, amidst indications that a controversial report on the subject is to be published.

Over 100 refugees were killed when Israeli shells hit the Qana camp. A UN report says the attack was deliberate, and the UN officer commanding the Qana base yesterday echoed this in an exclusive interview with the Independent.

The military commander in charge of the Israeli offensive, General Dan Harel, presented senior UN officials with military information, including aerial photographs and detailed maps, to offer contrary evidence to a secret UN report that alleges the shelling of the camp on 18 April was precisely calculated.

Denying that the shelling of the camp was deliberate, Gen Harel insisted: "That thing cannot happen in a democratic country like Israel."

The Israeli general was questioned about the presence in the area of an Israeli pilotless reconnaissance plane, which UN officials say indicates conclusively that the Israeli forces



In mourning: A woman weeps for loved ones killed at Qana

knew where their shells were falling. Gen Harel said that it had only been dispatched there "just after we heard from the

UN" that the base had been hit. But a video tape, the existence of which was revealed by the Independent yesterday, showed the aircraft flying in the area before and during the shelling. Lebanon, it emerged, asked for permission several days ago to show the video to the UN General Assembly.

Arab nations were preparing yesterday to demand fresh action from the UN Security Council on the shelling, and the Secretary-General, Boutros Boutros-Ghali, was expected to brief council members on the findings of the report.

"It is a very grave matter and I will certainly be speaking up on it," the Egyptian ambassador

to the UN, Nabil El-Arabi, said. "I think it is very important that the Council pronounces itself on this incident in a proper way."

There was intense speculation in New York as to what Mr Boutros-Ghali would seek to do with the report when he meets the Security Council. He is believed to have come under pressure from the United States to play down the report's findings and to avoid rekindling diplomatic controversy over the Qana incident.

"I do not think it is in the interests of anybody to have this brought into the light of day," a senior diplomat explained. There were signs that even the

Arab states were uncertain about the benefits of making an issue of the report. Like the US, Arab governments may be nervous about any new diplomatic future that could destabilise the ceasefire that has been established in southern Lebanon.

The UN's own reputation also stands to be damaged by the report's contents, because of an indication that the UN peacekeepers were aware that Hizbollah guerrillas who had been firing rockets into northern Israel had been using the base itself as a place to hide.

Israeli claims of its soldiers having old maps and that the wrong co-ordinates were used in the shelling provoked wide-

spread disbelief at the UN yesterday. "It is hardly credible. The Qana camp has been there 18 years," one diplomat said.

While stopping short of an apology for the incident, Gen Harel told journalists yesterday: "Unfortunately, some of our shells went into the Qana headquarters. But it is clear that this absolutely was not deliberate."

This was sharply rebutted by the officer in charge of the UN camp at Qana yesterday. "The Israeli 'margin of error' was too high in saying this was an error. There were two Israeli helicopters observing the shelling in this headquarters - they were observing as shells landed here," said Lieutenant Colonel

Wame Waqanivayalagi, who is in charge of Fijian battalion headquarters at Qana.

"We know the Israelis are very good at artillery shooting. Much of the time when the Israelis have shot in this area we would find out in the camp. We knew how accurate their shooting was. That's why there was no air of expectancy in the camp before the attack."

The colonel was in his command centre when the first Israeli artillery round to hit the UN base - there were 12 in all - landed. "It was chaos. Everyone was crying... Who cannot see this and think of their children?"

How we cried, page 8

Clwyd failed to spot 20 years of abuse

ROGER DOBSON

Britain's highest child sex-abuse scandal involving children's homes developed unseen in a climate of mistakes, failings, and confusion, according to the secret report into the scandal, extracts of which are published exclusively today in the Independent.

The report's damning indictment is that all the clues that abuse was going on were there for 20 years, but no one spotted them. A number of agencies, including the Welsh Office, the

Victims of the abusers

police, and professionals, all come in for criticism in the report, which has still not been published by Clwyd County Council.

As well as seeking a judicial inquiry, the report calls for a full and urgent inquiry into the police investigation of complaints of child physical and sexual abuse in Clwyd's residential homes, similar to that carried out by the Police Complaints Authority after the Frank Beck scandal in Leicestershire.

The report also criticises the Welsh Office over a number of issues, including the numbers of homes inspected and for refusing the request of the director of social services for an inspection of one home where there had been abuse.

The criticism of the Welsh Office social services inspectorate makes it increasingly uncomfortable for William Hague, Secretary of State for Wales, who has to decide what action to take. The inquiry team is insisting on a full judicial inquiry which could go much further in its investigation of the scandal which has been linked to the later deaths of 12 young men, some through suicide.

The report also shows the huge scale of the police inquiry which began in 1991. A letter from the Chief Constable to the independent panel says: "At the time of writing the nominal index contained the details of 4,580 individuals referred to during the investigation. A total of 6,071 specific inquiries were undertaken, 3,755 separate witness statements, 4,611 documents files examined."

The report's authors also urge the setting up of a new national database to track the networking of child sex offenders so that once an arrest is made, all contacts can be traced and checked.

Plastic bullet silences squatter's protest in township



A policeman firing a plastic bullet at a squatter after clashes in Alexandra township near Johannesburg in South Africa. Police moved in after squatters refused to leave the site, which is earmarked for low-cost housing and development. Two people were injured. Photograph: AP/Nicky de Blos

Brown defiant over cutting child benefit

COLIN BROWN
Chief Political Correspondent

The battle over the future of the Welfare State under Labour was intensified last night as Gordon Brown hit back at his party critics with a warning that "the status quo is not an option" for the review of child benefit.

The Shadow Chancellor issued a clear message that "hard choices" over child benefit for children aged 16-18 would have to be taken, and he appeared to clash with Robin Cook, the Shadow Foreign Secretary, who insisted that its future was still under review.

At the heart of Mr Brown's remarks was an uncompromising message to the party that he and Tony Blair are sticking by the threat to take away child benefit from high earners in order to pay for a guarantee of income to persuade the children of low and middle earners to stay on at school or college.

Mr Brown, in an article in today's Independent, says: "Making sure every young person has a stake in education and employment demands a national crusade for change in which tough choices will have to be

made so that we use our resources efficiently and equitably."

Senior Labour sources made it clear that Mr Blair was backing his Shadow Chancellor, in spite of rumblings from colleagues who were dismayed at the threat to child benefit for those over 16.

The details of the review have yet to be agreed, but the leadership stamped on reports that the left had secured a victory over their demands for unemployment benefit to be restored from six months to 12 months' entitlement.

Chris Smith, the party's social security spokesman, will today confirm the direction being taken by Mr Brown. Mr Smith will say Labour must break down poverty and employment traps, in which people are better off on benefits than in work. "It means facing up to tough choices,"

Mr Smith's remarks will be seen as a signal that he is prepared to bow to the Shadow Chancellor's insistence that commitments have to be paid for. Mr Smith and David Blunkett, the Shadow Education Secretary, have privately made

it clear they have no disagreement with Mr Brown, but are seeking to make the plans work with their detailed review.

"This is not about the details of benefit changes but the underlying strategy of welfare reform in targeting resources where they are most needed," said a Labour source. Putting people into employment remained at the heart of Labour's welfare plans, rather than increasing benefits.

The Tories were preparing to exploit the issue, sending mail shots to parents of 16-year-olds to warn they could lose their £10 a week benefit under Labour. Peter Lilley, the Social Security Secretary, said: "Reforming welfare was supposed to be Labour's big idea. It is shaping up to be a big disaster."

Robustly defending his plan in the John Smith memorial lecture, Mr Brown said on BBC radio: "Let's be clear about this - you don't set up a review unless you believe that something is wrong that needs to be sorted out. The status quo is not an option when you look at the crisis that is facing young people."

Skills shortage, page 4
Gordon Brown, page 13

Weather experts feel heat

LOUISE JURY

They predicted a miserable Bank Holiday, but the only clouds yesterday were hanging over the weather forecasters.

Resorts claimed the mainly dry and sunny weekend could have been even busier if predictions of a cold spell had not deterred visitors.

"It's so infuriating," said Margaret Horler, hotelier and president of the Hotels Association in Weston-super-Mare, Avon. "If television reports say it's going to be a bad weekend, it really does put people off. At the beginning of last week they were predicting all doom and gloom."

People did manage to take advantage of the unexpected sunshine and heavy traffic was reported around Brighton, Torquay, the Peak District and the East Anglian coast.

A spokesman at the London Weather Centre said: "It has perhaps been brighter than we expected. There's been less cloud and the wind hasn't picked up as much as we thought. We're not overly unhappy with what we predicted."

Weather, Section Two, page 25

Russia catches British 'spy'

PHIL REEVES
Moscow
and COLIN BROWN

Relations between Britain and Russia were turned frosty yesterday after Moscow claimed to have caught a British agent red-handed, and announced it was to throw out some British diplomats.

According to the FSB - heir to the KGB - Russian intelligence agents arrested an agent for the British Secret Intelligence Service (MI6) after he was "caught red-handed" trying to communicate with his controller. The FSB said the agent was a Russian national, recruited in the mid-1990s, who worked in a department of the Russian federal government.

He had been handing over classified material of "political and defence-and-strategic importance to British intelligence" in return for payments. The Russian news agency Interfax said the alleged spy will be tried for high treason, which carries a possible death penalty. The Russians said they will



expel "a number" of British diplomats. Britain immediately threatened Russia with lit-for-lit expulsions. The Foreign Secretary, Malcolm Rifkind, briefed John Major on events. The expulsions will alarm senior backbench MPs on the Commons select committee on security, who warned last night of the growing threat of Russian espionage in London.



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Treasury opposes business levy for London

DONALD MACINTYRE
Political Editor

The Treasury is resisting a far-reaching proposal for a business levy which could provide much needed investment for London's Underground and other public transport projects.

The idea for a levy on all but the smallest businesses, were a majority of companies to vote in favour to pay for urban investment, is already spreading in the US after being successfully pioneered in Houston, Texas, and has some backing in Whitehall.

The levy proposal - which is backed by the City of London Corporation and many of the capital's leading business figures - would allow big increases in transport investment without relying on central government grants or increases in council tax. Businesses throughout a given area, for example Greater London, would vote on a levy to be raised as a supplement to the national non-domestic rate. If a majority voted for the levy the minority would have to pay, but there would be an exemption for the smallest businesses, such as corner shops.

A mere 1p in the pound added to business rates in London would make up a £100m-a-year shortfall in London Underground's investment, according to two local government experts, Tony Travers and Stephen Glaister, of the London School of Economics.

Differences within Whitehall over the idea are reflected in a new Department of Transport document, *A Transport Strategy For London*. The document says: "The idea is an interesting one, which would have considerable attractions if it could be made to work on a genuinely voluntary basis. However... the current proposal is a tax and the expenditure which it supported would be public expenditure."

But that reasoning is challenged by supporters of the levy including London First, the private-public body for the capital.

The Treasury has so far taken the orthodox line that since such a levy would have to be paid by the minority of businesses who vote against it, it contains an element of compulsion and therefore constitutes a tax.

But that is dismissed by supporters of the levy who point out that housing associations and universities, for example, are allowed to borrow without affecting public spending totals and that the element of choice in the levy makes it an essentially private sector project.



Centre of attention: Naomi Campbell at a press call to mark the official start of building work on the Fashion Cafe in Coventry Street, near Leicester Square, London. The restaurant, which will open in the summer, is part of a global chain being set up by Miss Campbell and a group of fellow 'supermodels'. Photograph: Tony B. Kingham

Referendum threat by Euro-rebels

COLIN BROWN
Chief Political Correspondent

Tory Euro-sceptic rebels yesterday threatened to force a Commons vote over a referendum on Britain's membership of the European Union, as ministers faced a backlash over the failure to lift the EU ban on British beef.

Eight former whipless Tory MPs will meet tonight to discuss plans for a backbench bill on a referendum to pull Britain out of the EU. They are prepared to ignore appeals for unity after the Tory local election losses and say the referendum on Britain's membership of the EU could prove decisive in the fight-back against Labour before the general election.

Some of its backers believe it could lead to a stampede by Tory backbenchers willing to sign up to the demands for a referendum on Britain's EU membership to stop the threat of a challenge to their seats by Sir James Goldsmith, the international financier and leader of the Referendum Party.

The proposed bill, to be tabled by Teresa Gorman, the Tory Euro-sceptic MP for Billericay, was given added impetus yesterday by fresh calls from Tory MPs for retaliation against the EU for its refusal to lift the ban on beef exports. Sir

Michael Spicer denounced the ban as a "straightforward protectionist attack" on Britain and called on John Major to boycott the EU summit in Florence if it was not lifted by the end of June. He also supported Britain withholding its contributions to the EU.

David Nicholson, secretary of the Conservative backbench agriculture committee, called for trade sanctions against Britain's EU partners and a ban on beef imports from the Continent.

"People are pressing for us to get tough with Europe because Europe quite clearly isn't going to lift the ban," he said on BBC radio.

The Euro-sceptics believe a referendum vote in the Commons will give them a second chance to make a show of strength to the Prime Minister and the Tory leadership. A Tory backbench bill to reassert the authority of Parliament over the European Court of Justice won the support of 66 Tory MPs last

month, including former cabinet minister John Redwood, and Norman Lamont, the former Chancellor.

The referendum on Britain's EU membership would split the "whippers" eight include Jonathan Aitken, the former Treasury minister. Mrs Gorman said that a third of the Cabinet would be sympathetic, as would a majority of the 92 Group of Thatcherite Tory MPs, chaired by John Townend.

Mrs Gorman said she would

be seeking a deal with Sir James for his party not to field candidates against any Tory MPs who support her bill.

The pressure for a referendum on Britain's membership of the EU has intensified after the European ban on British beef exports. The rebels believe it represents the Tories' only chance of overthrowing Labour after the disastrous local election losses.

Mrs Gorman said: "We are in despair. The Government is not making any headway over beef. If you asked people why they stayed at home last Thursday, the reason they would give is that they have no respect for the Government any more... they see us being pushed around on beef, by the European Court."

But Paddy Ashdown, the Liberal Democrat leader, accused the Euro-sceptics of misrepresenting the facts about the BSE crisis in order to reopen the question of Britain's EU membership. "The consequences could be that Britain's entire future in Europe could be threatened on the basis of a lie," he said on BBC radio.

"This has been brought about by catastrophically weak leadership at the top. The Government has totally mismanaged this whole BSE thing from start to finish."

EU set to stand firm on beef ban

SARAH HELM
Brussels

Britain's efforts to persuade its European partners to lift the beef ban look certain to be thwarted again today when veterinary experts meet in Brussels to review the crisis.

Douglas Hogg, the agriculture minister, suggested last week, after a meeting of European agriculture ministers in Luxembourg, that he had persuaded his partners to pave the way for an easing of the ban.

He raised hopes that other EU countries might agree to at least lift the ban on the export of certain beef-related products,

particularly gelatine, tallow, beef sperm and embryos.

However, the EU's committee of veterinary experts, which is charged with recommending changes to the restrictions, is not expected to make any moves, the European Commission said yesterday. The committee, which chairs the committee, is not even expected to propose an easing of the ban, knowing that one of the other member states would accept it at this stage.

Other European countries remain determined to keep the ban in force until they are totally satisfied that Britain has taken all the measures possible

to eradicate BSE. The British proposals so far are deemed insufficient to restore confidence in the European beef market.

While sales of British beef have begun to rise again in Britain, continental Europeans are still turning away from beef products, wherever they are produced. In Germany, for example, consumption of beef has fallen by about 70 per cent.

Mr Hogg has so far proposed the slaughter of all cattle over 30 months and the slaughter of a further 42,000 cattle believed to be most at risk. However, other Europeans remain concerned about whether the British control and monitoring systems are up to scratch.

EU officials say Britain has caused new worry by announcing that it is to accelerate research into the possibility that BSE can be inherited by calves.

"That, and the news that BSE has been found in animals that may have been fed infected bovine meal since it was banned, do not add up to a very positive picture," said an official. "If infected feed has been used because the ban was not effective then some countries will certainly take that very seriously."

It will be another two weeks before the ban can be discussed again, at an EU agriculture ministers meeting.

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'God slot' drops fourth cleric

Another senior cleric has been dropped as a presenter of Radio 4's "Thought For The Day".

The Bishop of Oxford, the Rt Rev Richard Harries, is the fourth contributor to the *Today* programme slot in two weeks to be "rested" by the BBC.

The bishop, who joined the "Thought For The Day" team 24 years ago and is the programme's longest-serving presenter, said yesterday he was "puzzled" by the decision.

He gave his last broadcast in February and had been booked to take over the slot again in August and December.

"Yes, I too have received a 'Dear John' letter," he said. "The letter states that I am being rested, but for how long, or whether it is a permanent arrangement, I have yet to find out."

"What is clear is that it is clearly meant to make a break. I am, however, puzzled as to the reasons for it."

The bishop's departure follows those of Canoco Philip Crowe, the former principal of Salisbury Theological College,



'Restored': Richard Harries

the Ven George Austin, the Archbishop of York and Dr Leslie Griffiths, the former president of the Methodist Conference.

All of them received a letter from David Coomes, the producer of the "Thought For The Day" slot, saying they were being "rested" in order to make way for new names.

Mr Coomes said in his letter: "I use the term 'rested' genuinely; all strands need refreshing from time to time, and there is no reason why old favourites cannot return as others in turn are rested."

£10,000 elderly care bonus

COLIN BROWN

The elderly could be offered a bonus of up to £10,000 under plans to be unveiled today by Stephen Dorrell, the Health Secretary, for persuading millions of people to provide for their own long-term care when they are elderly.

The aim of the White Paper is to defuse growing resentment among Tory supporters in "Middle England" - the battleground for the next election - over elderly people being forced to sell their homes to pay for long-term care.

Mr Dorrell is hoping to persuade more people to cover the cost of their long-term care through insurance, annuities or flexible pensions, which could be geared more towards paying the fees of homes for the elderly.

Labour will accuse the Government of "mugging the elderly" with the plans. Sources close to Tony Blair said last night the Labour leader strongly opposed the scheme and Harriet Harman, the party's health spokeswoman, is planning to attack it as "mugging Middle England".

"Far from protecting the assets of those in retirement, it is encouraging elderly people to hand over their nest egg to an insurance company because they need to go into a nursing home," said a Labour source.

The schemes will be voluntary, but legislation will be introduced in November to implement after the election. Ministers are also worried about the spiralling cost of long-term care, and the increasing likelihood that more people will be requiring expensive long-term care into the next century. Officials have estimated that the numbers over 80 who own their own homes will rise rapidly from 50 per cent to 70 per cent of the population aged over 80 by the year 2013.

That will widen the crisis facing many middle-class families, when parents go into homes for the elderly. It will also seek to answer protests over the fact that people who have not saved, cannot be penalised, but those who have been thrifty are asked to contribute large sums.

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Bugging law 'threat to civil rights'

ROS WYNNE-JONES

New legislation being drawn up by the Government to give police a legal right to plant bugging devices could infringe civil liberties, it was claimed yesterday. Liberty, the campaign group, warned that establishing the use of bugging in law could encourage the practice of covert surveillance. The concern comes as it emerged that the Government is preparing a Bill which will allow police to enter suspects' homes and plant surveillance devices.

Senior police officers stepped up demand for new legislation after the Security Services Bill, which becomes law later this year, was passed by Parliament. It will allow MI5, acting under the power of a warrant from the Home Secretary, to legally break into homes, search them, copy documents, plant listening devices and cameras and leave without the owners being aware they are under surveillance.

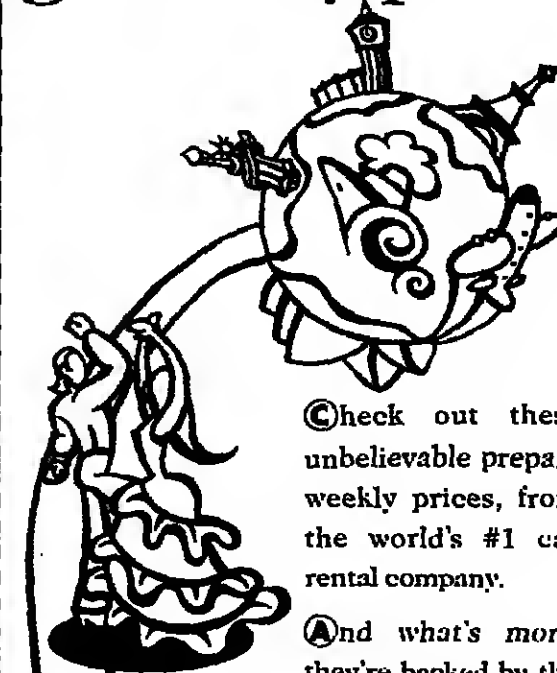
The Association of Chief Police Officers felt that the police required similar legislation to formalise their position on bugging and had asked the Home Office to look into the matter, a spokesman said last night. Yesterday it emerged that Michael Howard, the Home Secretary, plans to introduce a Bill in November which would give police similar surveillance rights to MI5.

John Wadham, director of Liberty, warned that legalising bugging could encourage police to resort to covert tactics more often. "We are concerned that it will be increased and there will be inadequate controls on the use of such bugs," he said yesterday. "We would want to see a system whereby the police had to get authority from a judge before they can plant such devices in the same way they have to apply for a search warrant to enter premises."

A spokesman for Acpo said it was criminals who infringed people's liberty not police. "Curtaffing people's rights and freedoms is what criminals do," he said. "The legislation is not drafted yet, but when it is I think many people's fears will prove to be unfounded." The system would increase the accountability of the police and show they had nothing to hide.

Proposals being considered to safeguard civil liberties are believed to include the requirement for a warrant signed by the Home Secretary or for the approval of two judges. Under the 1985 Interception of Communications Act, authorisation is currently required from the Home Secretary in order to tap a telephone. Evidence gathered in this way is not, however, admissible as evidence in court. It remains unclear whether evidence gathered from covert surveillance under the provisions of the new Bill would be admissible or not.

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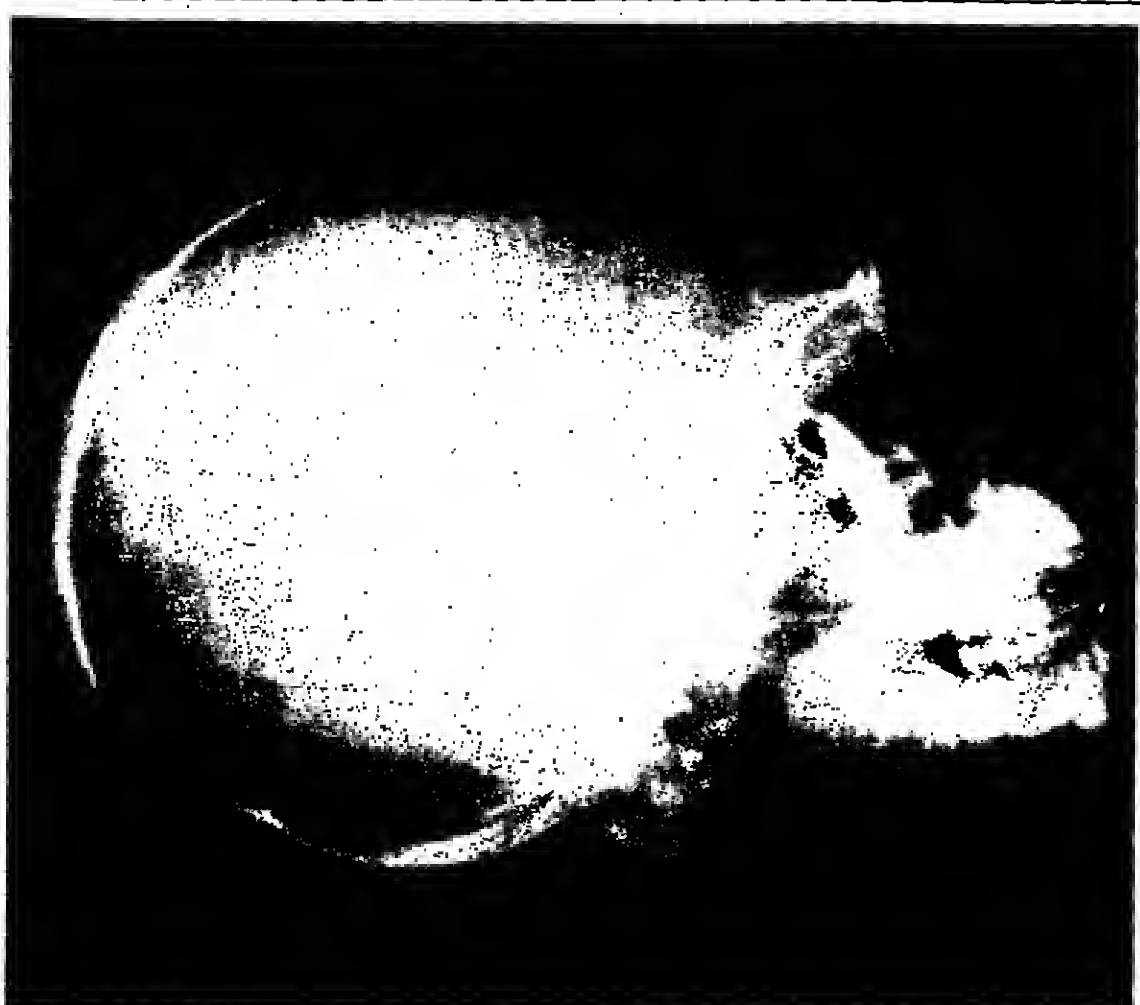
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FRANCE	\$199*
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Girl, 5, with a bullet behind her eye

ROS WYNNE-JONES

A five-year-old West African girl who has had a bullet lodged in her skull for over a year is to fly to Britain this week for treatment. Teneh Cole was shot by rebels in her native Sierra Leone and the bullet has remained behind her right eye, causing a speech impediment, deafness and loss of vision.



Victim: The remarkable X-ray showing the bullet behind Teneh's right eye, and the little girl pictured in Sierra Leone. Photograph: Assignments

Teneh will be seen on Thursday by consultant surgeons at the Norfolk and Norwich Hospital. "We are treating this girl as a humanitarian gesture. The X-ray pictures showing the bullet in her head are absolutely startling. They clearly show what a very lucky escape she had," said Richard Drew, administration director of the local health care trust.

The campaign to get Teneh treated in this country was taken up by British charity workers after they heard her remarkable story.

She was found cowering in a derelict farmhouse last year after her parents died in Sierra Leone's civil war. Malomoh Cole and his pregnant wife, who were fleeing from a rebel attack on their home town of Marima, shared their food and gave Teneh her name - which means "God will provide".

Days later, the three were caught in the crossfire of another rebel attack. "I saw Teneh on the ground shouting, with blood oozing from her head," recalled Mr Cole. "She was unconscious for three hours." He surrendered to the rebels after Teneh's condition worsened so that she could get treatment. But after being tortured, he fled again with her.

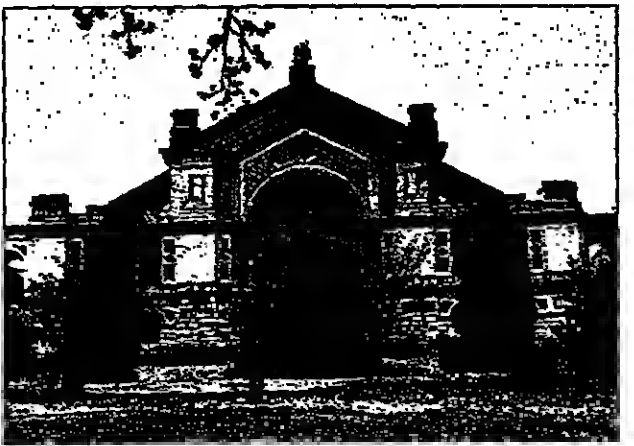
The couple then carried Teneh 250 miles to Freetown, the capital, dodging rebel patrols and begging for food. It was there that Teneh finally received medical attention, X-rays showing that the bullet, believed to come from an AK47, was close to her brain. The hospital felt it had insufficient expertise to operate on the child.

Luckily, Colonel Mark Cook and his wife Caroline, who are trying to establish an orphanage for Sierra Leone's young war victims, were made aware of Teneh's condition. Col. Cook set up the international charity Hope and Homes for Children after serving in Bosnia. His wife said last night: "Teneh is a symbol of the suffering of so many children."

Ally Pally debt sends council into 'financial meltdown'

PAUL FIELD

Haringey council in north London may face a debt of nearly £50m from running and redeveloping Alexandra Palace, leaving it with the biggest deficit of any local authority in the country and facing "financial meltdown".



Soaring costs: Birthplace of BBC TV costs Haringey dear

The council may have to make massive spending cuts to cope with the debt.

The problems began in 1980 when the council became trustee of the site and, through a charitable trust, took over the running of the palace and the 300-acre park from the Greater London Council. The palace - birthplace of BBC Television - was devastated by fire in the same year and the rebuilding and running costs paid by the council since have spiralled to £54m.

The Treasury Solicitor, responsible for apportioning the deficit, has told the council the only money that can be guaranteed to be recovered is £4.7m plus interest. Haringey can only recover more money from the trust if it proves it has managed its affairs prudently.

But in a critical eight-page letter to Haringey's chief executive, Gurbux Singh, the Treasury Solicitor accuses Haringey of:

- failing to provide evidence to prove expenditure was properly incurred;
- taking a risk by proceeding with the restoration of the palace after the 1980 fire;
- depriving the board, responsible for the running of the palace, of its decision-making functions.

One councillor said last night: "This spells financial meltdown for the council. It has been going on for so long we should accept the debt in order to work out how best to deal with it."

Haringey was due to choose a developer for the 123-year-old "Ally Pally" next Friday, in an attempt to clear some of the debt and make the site at Muswell Hill commercially viable. The three shortlisted proposals include an underground shopping mall, a multiplex cinema and a "futuristic lake".

When the trust begins to make money Haringey would be entitled to reclaim some of its expenditure.

Home Office drops support for stalking Bill

The Government yesterday

turned down a plea to help introduce new legislation which would make stalking a crime.

The Home Secretary, Michael Howard, was asked to ensure that a Private Member's Bill from the Labour MP Janet Anderson goes through unopposed when it comes up for a Second Reading on Friday.

The Labour Home affairs spokesman Jack Straw said: "There is a clear need to legislate on stalking."

Ms Anderson's Bill has been drafted following talks with the Lord Chancellor, senior Home Office officials - at the invitation of Mr MacLean - the Police Federation, the Suzy Lamplugh Trust and police officers.

A key factor is the proposal to introduce prohibition orders, which would allow magistrates to jail any stalkers breaching them.

A spokeswoman for the Suzy Lamplugh Trust said it was nonsense to make a comparison with journalists' activities.

"Stalking is something which goes on for months and months and is crystal clear," she said.

"The Government has given help in drafting the Bill through Home Office Civil servants. Why has it gone so horribly wrong?"

"These reservations could be an unnecessary delay to something which everyone accepts is needed."

For example, journalists door-stepping a politician in hot pursuit of tomorrow's front

page story could find themselves falling foul of the laws."

He said the Home Office was conducting a review to see what new measures might be introduced and that existing laws deal with the worst cases.

He added: "Legislation must be effective."

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For example, journalists door-stepping a politician in hot pursuit of tomorrow's front

Leeds steals 'capital of car crime' title

JAMES CUSICK

Leeds is the car crime capital of Britain. The unwelcome label for the Yorkshire city, where owners have a 5.5 per cent chance of finding an empty space where their car used to be, has been awarded in a survey by the insurance company, Eagle Star.

London, which was mentioned in any telephone insurance quotation still receives an almost instant "Oh, that will put

up your premium, sir", is apparently far from top of the theft league. Residents of Birmingham, Newcastle upon Tyne, Manchester and Glasgow all have a higher chance of having their car driven off without consent, than do the residents of the capital city.

According to the Eagle Star survey, the first to rank cities by theft and car crime, is based on claims from the company's 1.5 million motor policy holders. The survey puts the national

average at 3 per cent. Recent government figures state that a car crime in now recorded every 21 seconds.

However, in Leeds the national average would seem to be a dream figure for the one in 20 motorists who had their cars stolen or broken into last year.

In Birmingham it was 5.1 per cent and Newcastle was next riskiest at 3 per cent. The low-est English figure was Southampton with a 1.2 per cent level.

Motorists in Aberdeen might be worried about ice or snow on the road, but they can worry far less about car theft. Fewer than one in a hundred Aberdeen motorists had their cars stolen in 1995. The Eagle Star figure for the granite city is 0.8 per cent.

How safe is your car?

City	Risk factor
Leeds	5.5%
Birmingham	5.1%
Newcastle	5.0%
Glasgow	4.7%
Manchester	4.7%
Nottingham	4.1%
Sheffield	4.0%
Bristol	3.9%
Liverpool	3.6%
Cardiff	3.6%
UK average	3.0%
Leicester	3.0%
Edinburgh	2.5%
London	2.4%
Wolverhampton	2.3%
Southampton	1.2%
Aberdeen	0.8%

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Child benefit reform: Changing further education funding may help avert the risk of a lost generation without jobs or hope

Four ways to tackle the skills shortage

What do you do with teenagers who have no qualifications? Thirty-three per cent of teenagers drop out of full-time education at 16. By age 18, 60 per cent have gone. Yet those who leave without qualifications are far more likely to be unemployed and low paid later on. So what are the new options to encourage them to stay on? And where will the Government — this one, or a Labour one — find the money?

1) Carry on with the current system and hope numbers staying on continue to grow

The number of 16-year-olds staying on in education has risen substantially in the last decade. One option is to hope that the current trend carries on. The problem is that the pace of change is slow, and we risk creating a lost generation of unskilled and unemployable — young people. Furthermore, the existing system may be neither the most efficient, nor the fairest use of the money.

The total cost of educating 16- to 18-year-olds at the moment is about £4bn including £2.5bn on education fees, £700m on child benefit, £700m on youth training and less than £100m on additional maintenance awards.

Teenagers have little short-term financial incentive to stay on. Their mothers continue to

Analysis

get £10.80 a week in child benefit if they stay in education, compared with around £30 if they join a Youth Training programme (the successor to the controversial YTS).

At the same time, the bulk of taxpayers' money is supporting those who will not only earn most later on in life, but whose families are earning most today. Fees for schools and colleges are £3,500 per child compared with only £1,700 on average for teenagers who engage in workplace training. Middle-class families absorb most of the subsidies. Three-quarters of the 17-year-old sons and daughters of professionals are in full-time education, compared with one in three children of unskilled manual workers.

2) Encourage more teenagers to stay on in education with financial incentives.

a) Universal Benefits: A hand-out for every 16- to 18-year-old who stays on in education or training, whether it be full-time or part-time. It would give teenagers a cash incentive, and would not stigmatise the poor.

Cost: Depends how high the figure is. Switching the benefit

from the mother to the child could be done at no extra cost.

Problems: Could be a massive waste of money. The taxpayer could be needlessly subsidising hundreds of thousands of children who would stay on anyway.

b) Means tested benefits: Instead of shelling out the cash for everyone, government could target the people for whom it really makes a difference, and give them a hefty sum rather than just £10 a week.

Cost: Depends how many people you intend to help. Gordon Brown, the shadow Chancellor, has suggested using some of the £700m currently spent on 16- to 18-year-olds' child benefit for this purpose.

Problems: Means-tested grants can stigmatise. No one knows whether withdrawing that £10 a week from low- and middle-income families might put their children off staying in education, especially when the alternative means filling in complicated forms. This is why the Child Poverty Action Group is concerned about Mr Brown's proposals.

3) Give 16- to 18-year-olds more and better education options

a) Make some form of education and training compulsory. Fought by the LSE economist Richard Layard, and

the Social Justice Commission, employers would be obliged to make sure that any employee under 18 received a certain amount of recognised training towards national qualifications — preferably on day-release to further education colleges.

Cost: Someone would have to pay for the day-release at college. Another use for Mr Brown's savings from child benefit? Alternatively cash could come from forcing students to pay towards the cost of their higher education.

b) Improve vocational training options. Part of the problem for teenagers who lack academic abilities is that there is little else worthwhile for them to do. Sir Ron Dearing and David Blunkett have both advocated making vocational education more attractive. But this too would cost money.

4) Persuade kids that school is OK

The reason many children drop out at sixteen is because they hate school. The damage has been done long before they reach 16. Targeting discouraged children much earlier could be a far more effective way to improve their qualifications and staying-on rate than any combination of cash and training schemes later on.

Yvette Cooper



Decision time: Debbie Brooke (left) and Shanel Lyons must decide between study or work Photograph: Glynn Griffiths

'The only jobs are Tesco's — not what people want'

Gordon Brown's plans to cut child benefit for 16- to 18-year-olds who stay on in education won't make any difference to Debbie Brooke, taking their GCSEs this summer at Cranford Community School, a comprehensive in west London. Debbie and her friend Shanel Lyons are the kind of teenagers that the Labour Party wants to persuade to stay on in education and pick up new qualifications.

"Money's a big problem. Mum and dad are a bit strapped for cash," said Debbie. Her three elder sisters all left school at 16 to get jobs, two of them now work at nearby Heathrow airport. Debbie's parents think she should get a job too, and although she hasn't yet made up her mind, the chances are Debbie will stay in education: "I want to prove something to my mum and dad."

Debbie claims cash makes no difference to her plans to stay on. But it may stop her pursuing exactly the career she wants — as a veterinary nurse. A college in Berkshire which runs the pre-veterinary science course she wants to take is too far away, and her parents couldn't afford to keep her there. Either way that £10 a week in child benefit doesn't enter her plans.

Nor does it bother Shanel, to whom leaving school appeals: "Going back to school is a drag, sometimes you feel all you want to do is leave, go somewhere new and meet new people." But she is realistic about the job prospects if she has no qualifications at all. "The only jobs are working in Tesco's — not how most teenagers want to spend the rest of their lives."

Not all Debbie and Shanel's friends will be staying on. Some have left already, and will not be going back to sit their exams. Shanel is convinced that money has made a difference to them: "Some people feel they can't go to college because it will be too expensive."

Debbie thinks the £10 child benefit wouldn't affect their decision, but that £30 a week — the kind of cash you could earn on a Youth Training programme — could have an impact.

But they both agree that it would take a lot more than maintenance grants to change many teenagers' minds. Fed up with school, they are desperate to leave, and as Shanel said, "once they've made up their minds, nothing will persuade them to come back."

If Shanel was offered a job tomorrow paying £100 a week, she would snap it up. But £60 a week wouldn't lure her out of education "unless it was something I really wanted to do".

Labour's extra £10 won't sway school leavers, reports Yvette Cooper

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Detectives question man over fire deaths

Police were last night continuing to question a man in connection with a fire which killed four children. Officers have confirmed that the blaze had been started deliberately.

The bodies of six-year-old Patrick Good, his brother Terry, 12, and their sisters Alison, 10, and Nicola, eight, were found by firefighters in the back bedroom of their home at Sullivan Road, Sholing, Southampton, early on Sunday morning. Post-mortem examinations showed that all four died from inhaling fumes.

The children's parents Beverly and Melvyn Good and their 14-year-old daughter, Kelly, managed to escape, but Kelly suffered serious burns.

Mrs Good was yesterday said to be "devastated" by the tragedy and told relatives that she wished the whole family could have died together.

Meanwhile, police declined to give any details about the man they have been questioning since he was detained on Sunday. Forensic experts also continued to search the burnt-out building for clues yesterday.

Detective Superintendent Peter Neyroud said: "The preliminary indications are that we are dealing with a fire that was caused deliberately."

Exactly how the fire was set and the arsonist's motive were still being examined, but police were investigating the possibility that someone might have had a grudge against the family.

Mr Neyroud said police were anxious to talk to anyone who was in the area of Sullivan Road between midnight and 2 am on Sunday and particularly wanted to hear from anyone who may have seen somebody riding or pushing a bike.

Cholesterol tests wasted on 'worried well'

GLENDIA COOPER

Cholesterol testing is not being offered to those most at risk of developing heart disease, according to the British Cardiac Society.

Instead it is the "worried well" — the health conscious and educated — who are putting doctors under pressure to give them tests.

A survey carried out in Scotland as part of the Glasgow Monitoring Cardiac Disease Project (Monica) found that three-quarters of patients tested were those considered to be at lowest risk.

The study of 2,000 men and women between 25 and 74 assessed common risk factors such as smoking, high blood pressure, diabetes, and evidence of heart disease.

Coronary heart disease is the single most common cause of death in the UK and the industrialised world. A high level of cholesterol in the blood is a significant risk factor for coronary heart disease and people with a high level can be treated with dietary advice and if necessary cholesterol lowering drugs to help reduce their risk of developing CHD.

Last year a study by the West of Scotland Coronary Prevention Study Trial found that using a cholesterol lowering drug reduced heart attacks by nearly one-third and the risk of death by 22 per cent.

In the Monica study 20 per cent had been tested for cholesterol over the year. But only one in five of this 20 per cent had existing heart disease and

only one in 20 had factors placing them at high risk of developing CHD.

"It's the people at high risk we want to target," said Dr Caroline Morrison, consultant in public health medicine who carried out the survey. "The survey clearly shows that many high risk people are not being offered cholesterol testing whereas many at comparatively low risk are being tested unnecessarily."

At their annual meeting in Glasgow this week the British Cardiac Society is also calling for GPs to play a more important role in administering "cholesterol" drugs to heart attack patients.

Trials of drugs such as streptokinase have shown that they can reduce the likelihood of death from a heart attack by 25 to 50 per cent. The earlier a treatment is started the greater a patient's chances of survival. The British Heart Foundation has recommended that heart attack patients should receive thrombolysis (treatment with clot dissolving drugs) within 90 minutes of seeking medical help — the "call-to-needle" time.

A survey of 326 patients carried out by Dr John Rawles at the Medicine Assessment Research Unit at the University of Aberdeen found that those treated with the drugs by their GPs were more likely to receive the treatment within 90 minutes than those who received it after being admitted to hospital.

Dr Rawles said: "In most cases general practitioners attending patients suffering a heart attack are in a position to give potentially life-saving treatment within the target time [90 minutes]."

Islanders whip up storm over Iron Age cover-up

WILL BENNETT

The winds which gust across the remote Scottish island of Great Bernera with Hebridean vigour have whipped up a dispute about the future of a late Iron Age village which is being excavated by archaeologists.

The problem for the experts digging at the 2,000-year-old site is that the wind is stripping away the sand surrounding the walls making them difficult to preserve once they have completed their excavations.

Historic Scotland, which is responsible for ancient sites, has upset people on Great Bernera, off the larger island of Lewis in the Outer Hebrides, by suggesting that the village should be covered over when digging has finished.

This is an alternative plan to remove some stones from the site to an as yet undecided location has triggered the first rebellion on the island since crofters rioted over the threat of eviction in 1874.

It is being led by Coust

Robin de la Lanne Mirreles, 73, a French-born aristocrat, who has been the laird of the 7,000-acre island since 1962.

He said: "I am thrilled by the find and want to see it preserved. I own the foreshore and therefore this site. Unless it can be proved an engineering impossibility I do not want my property tampered with. Nor should any of the artefacts be removed off this island."

The village, which covers a quarter of an acre by the seashore, was discovered by a team from the Edinburgh University centre for field archaeology after repeated finds of persistent reports of stone walls and pottery falling out of a rapidly eroding shoreline.

The houses on the site, which is unlikely to be fully excavated, were built by lining large holes dug in the sand with stone and covering these with low thatched roofs.

The floors, walls and lintels have survived and so too have the remnants of rubbish tips which have given archaeologists

an insight into how Iron Age islanders lived. Although the sea has been responsible for some erosion, wind has stripped away sand to expose the walls.

Dr Noel Fojut, principal inspector of ancient monuments for Historic Scotland, said: "The walls of these houses were meant to be supported by sand, not free-standing, and are quite dangerous once the sand has gone from around them. We do not have the technological means to make these walls stick together."

Bills are continuing aimed at finding a solution but Historic Scotland, which has provided more than £68,000 for the excavations, has annoyed people by suggesting the site should be covered. The Rev Donald Macaulay, a former convener of Western Isles Council who lives on Great Bernera, said: "We would like to see the site preserved so that people can see what was going on 2,000 years ago. It is of great interest and it is of value to us from the tourist point of view."



Sands of time: Jim Crawford, a stonemason, at the 2,000-year-old village site on Great Bernera, Outer Hebrides Photograph: Colin McPherson

Blitz on reading standards promised

JUDITH JUDD
Education Editor

Gillian Shephard, the Secretary of State for Education, yesterday promised tough new measures to improve reading in schools.

Details of her plans, which are likely to include a tightening of teacher-training standards, will be announced today to coincide with publication of a report highlighting reading problems in inner-city schools.

The report from the Office for Standards in Education is expected to show that nearly eight out of 10 seven-year-olds in the London boroughs of Islington, Southwark and Tower Hamlets are below expected standards in reading. Mrs Shephard said at the weekend that if inspectors needed greater powers to conduct more such inspections, they would be given them.

The report says teachers were held back by lack of knowledge about how to teach children to read so time spent teaching reading was often wasted. Mrs Shephard wants the list of criteria which trainee teachers have to meet defined more precisely and greater emphasis put on basic skills.

Chris Woodhead, the Chief Inspector of Schools, who will present the report, has consistently argued that too many "progressive" teaching methods lower standards. The three local authorities have accused him of altering the report for political reasons.

A Department for Education and Employment spokeswoman said: "Mrs Shephard has read the report on London's schools. She plans to be with the chief inspector when he gives his press conference tomorrow and

will make her own statement immediately afterwards, when: "She will be announcing tougher measures in response to the findings in the report."

Ministers have overspent the publicity budget for nursery vouchers by more than 50 per cent but have failed to persuade one-fifth of parents to apply for vouchers, according to official figures released yesterday.

Parents in four local authorities have been offered vouchers worth £1,100 to buy nursery education in state, private or voluntary nurseries. The scheme will be extended to all local authorities next April.

Figures in parliamentary answers to David Blunkett, the Labour spokesman for education, show that £1.1m has been spent so far on publicity, compared with the original budget of £750,000. Yet the figures also show that one in five parents has not applied for a voucher. In Kensington and Chelsea, 55 per cent have applied, in Westminster 60 per cent, Wandsworth 84 per cent and Norfolk 92 per cent.

"It would be hard to conceive a more convoluted and bureaucratic way of promoting an expansion of nursery provision," Mr Blunkett said.

Ministers want the scheme to create more places in private and voluntary nurseries but the figures reveal that two-thirds of four-year-olds in the four local authorities already have places in state schools or nurseries.

A Department for Education and Employment spokeswoman said: "We have a duty to provide information to parents and providers. The intense level of interest they have shown bodes well for when the scheme goes national."

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DAILY POEM

Postscript

By Seamus Heaney

And some time make the time to drive out west
Into County Clare, along the Flaggly Shore,
In September or October, when the wind
And the light are working off each other
So that the ocean on one side is wild
With foam and glitter, and inland among stones
The surface of a slate-grey lake is lit
By the earthen lightning of a flock of swans,
Their feathers roughed and ruffling, white on white,
Their fully grown heads strong-looking heads
Tucked or cresting or busy underwater.
Useless to think you'll park and capture it
More thoroughly: You are neither here nor there,
A hurry through which known and strange things pass
As big soft buffetings come at the car sideways
And catch the heart off guard and blow it open.

The *Spirit Level*, from which this poem is taken, is Seamus Heaney's first book of poems since he was awarded the Nobel Prize for Literature in 1995. It is, quite simply, the collection of the year. Heaney's daring lightness of touch, his talismanic of the way of seeing, a conjuring of an almost physical ache of beauty and the pain of what it is to be alive, is unsurpassed. He is that rarest of creatures: a poet with an abiding sense of how the past informs, but also comforts, the present, and permits us both to make sense of it and to restore balance. *The Spirit Level* is published by Faber at £7.99. Seamus Heaney reads tonight at the Queen Elizabeth Hall, London's South Bank at 7.30pm. Ticket returns only.

Victims
of the
abusers

A devastating report into child abuse in North Wales, kept secret by Clwyd County Council but disclosed here, reveals chaos in the council's social services department and failure to act on a catalogue of complaints of physical and sexual assaults spanning decades. **Roger Dobson reports**

Help that came 'too little, too late'

The inquiry report into child abuse in North Wales, which has been kept secret by Clwyd County Council, provides a devastating critique of poor social services management and missed opportunities in dealing with widespread abuse in children's homes.

"Too little, too late" was the council's response to reports of abuse, according to a 300-page independent report which talks of "chaotic" organisation in a Clwyd social services department which had failed to learn from its mistakes.

There had been at least 10 internal investigations by the council, several of which covered residential homes, but the report says: "Many of the professions interviewed by the independent panel expressed the view that Clwyd social services was very good at reviewing itself but has failed consistently to learn from its mistakes and been unable to implement a full range of appropriate safeguards."

"We are of the opinion that Clwyd social services does not appear to have been able to learn from its own internal inquiries. Reviews... are commissioned with no real attempt to implement the findings."

"A number of the internal investigations point to a chaotic state of overall management by Clwyd social services of its residential childcare provision."

"It is inescapable that the heart of the problems in Clwyd has been the lack of rigour in the matter of personnel policy and procedure. Our investigations have led us to the conclusion that the abuse of children and young people in Clwyd residential units has been extensive and [took] place over a substantial number of years."

"What was described by the North Wales police as the largest investigation of child abuse resulted in 3,755 witness statements being taken. This resulted in four men being convicted. Not less than 24 people were recognised victims of these crimes: offences include buggery, indecent assault, cruelty, actual bodily harm."



No safe haven: The former Bryn Estyn children's home in Wrexham which featured in witness statements taken by police. Photograph: Paul Sanders

"It is clear that the lives of young people who have been through the care system in Clwyd have been severely disrupted. At least 12 young people are dead."

"It is unclear how many other professionals, including police officers, were named in these statements as perpetrators. We know of at least three current employees of Clwyd social services who were interviewed as part of the investigation. To our knowledge none of them was disciplined."

"It would be tempting for those who wish to avoid any further critical examination of the issues to propose that the failings were confined to Clwyd

and to seek to draw a line under them."

"The panel has no doubt that the roles of other agencies such as health, education, probation, the North Wales Police and the Welsh Office, require similar careful and detailed scrutiny if more effective safeguards are to be put in place."

"Major gaps in our knowledge, along with the decisions of individuals and agencies not to meet with us, or in some instances to provide us with only limited information, has meant we have been left with misgivings which can only be answered or dispelled through further detailed examination of these matters."

"We raise these issues to indicate the degree of concern and disquiet felt in a number of quarters, from ex-residents themselves, to government ministers. The concerns regarding the care of children in the past and to some extent the present have been sufficient to generate numerous requests for a public inquiry."

"Our findings show that time and time again the response to indications that children may have been abused has been too little and too late... Our criticisms in this regard apply not only to Clwyd but also to the Welsh Office, the North Wales Police and constituent agencies, in so far as we were able to examine their contribution to our investigation."

"A second overarching finding is that there has been a conflict of interest... the interests of young people have almost invariably been sacrificed to the false conviction that to take no action was the only response."

"Our findings also question the outcomes and use made of previous investigations. There have been to our knowledge at least 10 internal inquiries within Clwyd."

"We welcome the commitment of the county council to what we believe to be publication in its entirety. We believe that all those with a responsibility for child protection

matters in Clwyd have an inescapable duty to read our report to full."

"We consider that a public judicial inquiry under the arrangements set out under section 250 of the Local Government Act should be initiated."

"We highlight the issues below which we consider to be of considerable public interest and which require urgent scrutiny, guidance and review."

"First and foremost, children have a right to safe group living. We note that many local authority residential units are being closed. However there are other group-living arrangements where vulnerable children may be placed. These include edu-

cation boarding placements which are required to be inspected only every four years; child psychiatric units where we are unclear about what inspections are undertaken; and youth custody and remand centres, as well as the increasing private-sector provision including small homes which currently fall outside of the usual inspection services."

"All of these group-living environments are potential target areas for sex offenders. Hence a tightening of recruitment, monitoring and supervision in one type of establishment must be followed by a similar tightening in other types of establishment."

"There is an evident increase in investigations of settings for vulnerable service users including children... Underpinning our concern is the belief that children and families have a right to safe care and local authorities have a duty to take reasonable care to ensure that this safety is provided."

"Secondly, insurance issues are complex. It is clear that the interests of the insurers of Clwyd have in recent years played an important part in the investigations of child abuse. We know however that this is not a situation unique to Clwyd."

"Thirdly, the management of large police investigations into child-protection matters, including retrospective allegations, needs urgent consideration."

"Fourthly, the discrepancies across public departments or between the law and guidance on written warnings in disciplinary matters, are all contributing factors to abuse continuing."

"It is clear that sex offenders can and do network so that circumscribed investigations and strict adherence to, for example, [police] force boundaries, as evidenced by the use of the police database, Holmes, are clearly sometimes out in the best interests of children and their right to safe caring."

"These issues are all of fundamental importance. We regard it as imperative that they are addressed in the full view of public scrutiny."

Strained relations with police hampered inquiries

The report calls for an urgent independent inquiry into the police investigation of complaints of abuse at children's homes in Clwyd.

It also criticises the joint investigation was handled, and wants a national database set up to establish links between sex offenders. The report also reveals that a dossier of names of "suspicious" people was presented

to police by Clwyd in 1991: "A number of former residents we interviewed stated that they made complaints when they absconded from their residential units. Indeed they frequently absconded precisely because of the abuse they were experiencing within their units."

"The independent panel

heard from a number of informed sources... that the relationship between the Chief Constable and some representatives of the council were strained. Additionally we were told by a number of social services staff of dissatisfaction at operational level with their dealings with the police."

"Since we were not able to meet with any police officers during our investigation we were unable to confirm or refute this. It would appear that the policy of joint investigation of child matters was not followed in Clwyd in a major police investigation instigated in 1991. We were told that the rationale for this was that the majority of complaints being interviewed were now adults."

"Our understanding of the manner in which the police investigation was mounted stems from the letter of July 1991 from the county solicitor to the Chief Constable outlining a number of concerns regarding residential childcare in Clwyd."

"It raises the issue of a paedophile ring in North Wales. It also contains... a list of suspicions, and a list of named individuals about whom there were queries. Following this letter an extensive police investigation took place."

"The new Chief Constable for North Wales, Michael Argent, declined to meet with the independent panel, although he provided some statistical data to use, many of our questions remain unanswered."

"Findings: It has become evident during our investigations that the public and some social

work professionals, have serious concerns about the involvement of the police in the recent investigation which may compromise future collaborative child-protection matters."

"It appears to us that much of the major police investigation was managed in such a way that precluded the utilisation of

plaints of child physical and sexual abuse in Clwyd's residential homes... We feel there is a need for a national database whereby in situations of suspected organised institutional abuse, connections can be made across police boundaries."

Turning to the work of the Welsh Social Services Inspe-

the chief inspector in October 1990 requesting, with the agreement of the county council, an inspection into the running of [another Clwyd home]. The chief inspector declined."

"Our view, albeit with the benefit of hindsight, is that by that time the problems in Clwyd residential homes had reached an acute level, assistance from the Welsh Office... might have gone towards identifying an abusive situation which only fully emerged over several years following the director's request for help."

"The Parliamentary Under-Secretary of State, Nicholas Bennett, [later] instructed the inspectorate to undertake a review... In undertaking the review, considerable reliance was placed on a postal questionnaire to obtain a profile of the service and of individual homes. This had the disadvantage of being dependent on information submitted by the providers."

"The report analyses the responses of the eight Welsh local authorities. It states: These responses reveal a service which has been poorly directed and undermanaged. If good work is being done, it is in spite of the lack of... explicit policies and a supportive management."

"Among the conclusions of the report is: 'Training in the recognition of the signs of distress and the experiences of sexual abuse among children should be part of the skills package of all those working with children.'"

"There is a well-established constellation of factors which is frequently associated

with poor management and residential care and with the attitudes and behaviour of staff and children which can give strong pointers towards the possibility of abuse."

"The factors identified as being present in situations of institutional abuse had all been consistently and obviously present in Clwyd over 20 years: ■ Recruitment policy not standardised or rigorously implemented ■ Lack of professional qualifications and insufficient in-house training ■ Inadequate police checks ■ Lack of clear role boundaries for staff ■ Confusions over responsibilities ■ Individual children targeted for special favours ■ High concentrations of vulnerable children with low esteem who are easier to target ■ Lack of care plans ■ Little or no involvement of children's wider network, including family, friends, social worker and other professionals."

"We consider that a sensitive and regular programme of inspections, reviews, monitoring and spot checks is likely to provide the kind of support which encourages good professional practice. We consider unproved the Welsh Office statement that the 1992 review did not reveal the cause of concern which led to it."

"Access to information to the extent of internal investigations into Clwyd's residential services would have signalled to senior management at the Welsh Office that residential care for children was in a precarious and potentially dangerous state."

"Those same natural gases still infuse it with the same effervescence. It is still untouched by additives, chemicals and human hand. And of course, it still sports its famous green glass bottle. (Glass, because mere plastic cannot preserve Perrier's distinctive sparkle for long periods.) In short, it is still the original. Or should that be caoriginal?"

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'One day you'll suss me out ... you ain't yet'

"Don't make a judgement that I am a complete liar. Everybody is different. So what always makes me wrong and you and the others right? Just remember you don't own me, I'm not your possession, although I have sometimes felt that way. "Social services, child guidance have taken everything I have to give and labelled me with so many different names. One day you'll finally suss me out cos you ain't yet, not by a long chalk. Anyway, thanks for being my social worker."

These remarks from Christine, a young girl abused at home and in care, were passed on to the inquiry panel which was told no-one believed what she said and that police called her a liar, threatening to arrest her for wasting their time. But the young child, barely out of primary school, had all the classic symptoms of someone who had been sexually abused at home before she went into care—where she also became the subject of abuse. She tried to kill herself, slept on the floor fully clothed, never opened the curtain, did not eat; she refused to take part in physical education at school and she refused to clean her teeth, wanting them to turn brown. In addition, her young brother was soiling the bed and her sister suffered

from asthma. But the young child's desperate calls for help were ignored by care workers. Professional reports in her file say "these allegations are unfounded". She had a "proneness to fantasy" and was a "deeply troubled young person". She is described in her file as a convincing liar, as someone who cannot be telling the truth because she speaks with too much emotion and unlike a child. Police who investigated the allegations of abuse against her father labelled the girl as a "fantasist" and also pointed out clues like the "books and letters which show her talent for story writing". The police clearly

believed she told untruths and reinterviewed her and during this interview she retracted her original allegations. Police visited the girl's home after the allegations and found her room in an appalling state. Christine is said not to have eaten since the time her father returned. Another file discloses sexual assault by both her father and step-grandfather. "There is a query about whether the step-grandfather had a history of sexually abusing children, but it appears not to have been investigated," reveals the Jillings report. It adds: "The picture emerges of a young woman who had high levels of contact with her family of origin, whose

behavioral presentation is wholly consistent with experience of sexual abuse or some other traumatic abusive experience." It goes on: "Evidence from the police that there would be no further action regarding Christine's disclosure." Christine later made allegations against her father and one residential care staff and one person was later sacked, partly on the basis of her information. The report adds: "It is clear that the professional network with whom Christine was in contact failed to have regard to any academic literature on sexual abuse. Her behaviour indicators were classic symptoms."

international

Qana massacre: Fijian colonel in charge of UN compound dismisses Israeli claim that attack was a map-reading mistake

'We cried for all of the dead children'

ROBERT FISK
Qana, southern Lebanon

Lieutenant Colonel Wame Waqanivavalagi sat in the front of the television of his smashed officers' mess yesterday afternoon and watched his own headquarters being shelled by the Israelis. As the artillery rounds howled down on the Fijian battalion headquarters at Qana on the videotape in front of him, the colonel - who has spent eight years on United Nations service in southern Lebanon - pointed at the smoke that filled the screen.

"In there, Robert, was an awful place to be," he said. And he shook his head. "The Israeli margin of error was too big to say this was an error. There were two Israeli helicopters observing the shelling in this headquarters - they were observing as shells landed here."

The videotape, which forms the centrepiece of the UN investigation into the attack on Qana - a copy of the film was obtained by the Independent - showed an Israeli pilotless reconnaissance drone, used for artillery spotting, flying low over Qana at the height of the Israeli bombardment. The Israelis said it was on "another mission" but Colonel Waqanivavalagi was unimpressed.

"I wouldn't know about 'another mission'," he said pointedly. "All I know is that I was

shelled. My men saw these Israeli drone planes from their observation post. They saw one before the massacre. We know the Israelis are very good at artillery shooting. Much of the time when the Israelis have shot in this area, we would loaf around in the camp. We knew how accurate their shooting was. That's why there was no air of expectancy in the camp before the attack."

The colonel was in his command centre when the first Israeli artillery round to hit the UN base - there were 12 in all - landed near the Fijian UN battalion's outdoor refrigerator on 18 April. "It was chaos," he said. "Everyone was crying. People were being killed. Bodies were flying in the air. At one point there was a big explosion and I looked up and saw a whole house had gone. I saw two of my soldiers carrying bodies in blankets with hands hanging out. People were shouting 'casualties' and four soldiers severely injured."

The colonel raised his hands. "When it was over, I just couldn't believe it - that we could be shelled in our own tactical headquarters. I was astonished. I stood there helpless. I couldn't do anything to stop the whole thing."

But like many of the 150 Fijian soldiers at the Qana base, the colonel has children - two-year-old Lailani, Lorna, six-



After the shelling: 'It was chaos. Everyone was crying. Bodies were flying in the air, my soldiers carried bodies in blankets' Photograph: Globenet

and an eight-year-old boy called Sakies - and it was their faces which confronted him when the Israeli shells had killed the last of the 130 or more refugees.

"There were so many dead children and when I saw the bodies, my own children were right in front of me," the colonel put his hand in front of his face, the fingers towards him.

"They were there, like that, so close to me. If they had told me there was going to be a massacre, I wouldn't have come to Lebanon. It is one of the saddest, most deplorable things that any human being can be killed under our security."

Most of the 560 refugees in the camp - another 300 ran into the UN base just before the shelling and after they had heard the Hizbollah mortar fire 350 metres away - had been living among the Fijians for eight days and some of the soldiers had become close friends with the Lebanese civilians, especially the children.

"We had been living with these people for more than a week," the colonel said. "Every night, our soldiers would hold the babies and rock them to sleep for their mothers. My men gave up their beds, their rooms, their food for these

people. They taught us to make the Lebanese *kibbeh* food and when we held our Christian service every evening they would all be very quiet and many of the Muslims would come and stand near us and watch us in silence as we prayed."

"It was a relationship with the Lebanese people that we hadn't had in the 18 years our battalions have been here. And then we saw them killed. We were starting to learn each other's culture. And suddenly, everything went away."

The colonel admits that he and most of his men wept in the minutes that followed the end

of the attack. "We all cried. We had known them so well - some of my men were very affected. They knew the kids and they had to pick up pieces of them. They had held the babies and they had to pick them up in bits. It's just too horrible to describe."

At the weekend, a UN team from New York arrived to provide psychological help for the soldiers, some of whom had slept in groups on the floors in the nights that followed, unable to sleep, jumping at the slightest sound - a car braking or a spoon dropping from a table. Several were recommended immediate home leave.

Colonel Waqanivavalagi did observe several Hizbollah men arrive at the compound after - not before - the shelling. They were, he said, the men who fired the mortars at which the Israelis claimed they were firing.

"They came in to look for their families who were here. And one of them found that all his family had been killed. He was hysterical. He kept shouting 'these are my people'. But the people who died were civilians. They had become our friends. Who cannot see this and think of their children? At the end, I cried inside my soul. Not even tears can describe what happened."

French dispel fears on aid to Muslims

Paris (Reuters) - France sought yesterday to stamp out possible controversy over a statement by a junior minister who said French aid to war-hit Lebanese civilians was in part being distributed by Hizbollah's Muslim fundamentalist guerrillas.

"France's attitude to Hizbollah has not changed," Jacques Rummelhardt, a foreign ministry spokesman, said about a weekend statement during a visit to Lebanon by Xavier Emmanuelli, junior minister for emergency humanitarian action.

While touring southern Lebanon, Mr Emmanuelli answered positively when asked if he knew French aid given to the Lebanese government for distribution was being passed on to Hizbollah for distribution in the field.

"Hizbollah participates in medical rescue and social welfare [in southern Lebanon]. There is no reason to exclude them," Mr Emmanuelli said.

The statements were potentially damaging politically since Paris courts have said the Iranian-backed Shia Muslim group was thought to be connected to a bomb attack in Paris in 1986 in which half a dozen people were killed and dozens wounded. The French military also holds Hizbollah responsible for the suicide bombing of a French position in Beirut in 1983 in which 58 paratroopers were killed. Another 241 American Marines were killed in a similar attack there the same day.

Mr Rummelhardt said yesterday: "Mr Emmanuelli was not thinking of anything beyond recognising that Hizbollah can be involved in certain charitable activities."

"But this changes nothing to France's attitude which, I insist, is that Hizbollah must scrupulously respect the 26 April ceasefire agreements ending the cycle of violence."

President Jacques Chirac said last week that France's renewed commitment to Lebanon was demonstrated by aid to civilians who suffered in Israel's retaliatory blitz between 11 and 27 April after rocket attacks by Hizbollah guerrillas.

Mr Chirac, who visited Lebanon days before the conflict broke out and pledged support for Lebanon's sovereignty, has said that French efforts to help broker the ceasefire gave Paris a new diplomatic foothold in the region.

France had a mandate over Lebanon and Syria between the two world wars.

US backing for Israel 'puts peace effort at risk'

JOHN CARLIN
Washington

The announcement yesterday that the Israeli Foreign Minister, Ehud Barak, will meet his US counterpart, Warren Christopher, in Washington tomorrow to discuss plans for an Israeli-American "defence alliance" will only reinforce Arab perceptions of American bias in the Middle East.

At the weekend the Egyptian Foreign Minister and other Arab leaders criticised the failure of both Democrats and Republicans to venture a shred of criticism of Israel's recent bombardment of Lebanon. The time had come, the Arab lead-

ers said, for the European Union to play a more forthright part in restoring some international balance to the Middle East equation.

But, as yesterday's announcement indicates, the response in Washington to the Arab complaints is unlikely to be one of abject apology, much less a policy U-turn. Indeed, President Bill Clinton made it clear last week that his plan is to strengthen America's relations with its traditional Middle Eastern ally. The goal of the envisioned defence alliance with Israel would be "to meet common threats in the years to come", Mr Clinton said. "US-Israeli strategic co-operation," he promised,

"will grow in importance."

Surprisingly, however, the novel idea is beginning to seep through Washington that Arab criticism of American bias towards Israel might not be entirely unjustified and could undermine efforts to achieve a lasting peace between Israelis and Palestinians.

An article in Sunday's *New York Times* pondered the notion that the US government might have mislaid its hand by leaning too heavily behind Israel during the conflagration that claimed 150 Lebanese lives last month.

"There is increasing concern among Middle East specialists that America is losing something

crucial - its critical distance from Israel - and thereby damaging its ability to play the 'honest broker' for Israelis and Arabs," the newspaper said. If the United States is the most influential international player in the Middle East, the *New York Times* is the newspaper with the most influence on US Middle East policy.

Thus the very consideration of the idea by the *New York Times* that the US might be losing its "critical distance" from Israel presents the possibility of a debate on the previously unutterable.

Or maybe not. In the view of one Middle Eastern specialist the notion that there had been

any American "critical distance" from Israel in the first place was merely a bad joke. "It's like a woman who has been sleeping around a lot," he said, "and suddenly wakes up one morning worrying that people might be saying she is not a virgin any more."

The Clinton administration insists, however, that its motives are pure, driven by the belief that to achieve the paramount objective of peace it is imperative that Shimon Peres, the Israeli Prime Minister, defeats his hard line Likud rivals in Israel's 29 May elections.

What many Middle East specialists suggested was that more even-handedness was required

to prevent the Arab world from becoming calamitously antagonistic towards the US-brokered peace process.

Jim Zogby, the director of Washington's Arab American Institute, believes the US response to the Israeli offensive in Lebanon will have damaging and far-reaching consequences for the Middle East peace effort.

"It is a reminder that even when you have a disproportionate and illegal attack on Lebanon's people, the US cannot find its way to urge restraint on Israel," Mr Zogby said. "And that reminder will have a permanent distorting effect on future US relations in the Middle East."

But could the US cash in its chips with Israel at a later date and apply pressure when obstacles are encountered in the peace process? Mr Zogby had his doubts.

"We won't know until after the Israeli elections. We see what we get." And that is a US political establishment utterly beholden to the domestic pro-Israel lobby.

As Mr Zogby is not alone in observing, bipartisan US policy towards Israel is not so much a function of America's national interest as of the fear all elected officials in Washington have of incurring the wrath of the organised and influential pro-Israel forces inside the US.

This week in



THE INDEPENDENT

This week and every week, Section Two has a new look, with more pages, new features, a daily radio column and an expanded listings section providing Britain's most comprehensive daily guide to going out.



on Monday

A new regular section, Family Life, that deals with the interests and problems of parents and children. Julie Myerson's column also focuses on home life. Plus: a new series - Do we need? - which challenges the icons of modern Britain. And, every, Monday unrivalled coverage of the expanding world of information technology in our Network pull-out section.

and in Sport

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All our regular features, including Virginia Ironside's Dilemmas, John Walsh's column, plus film, education

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seven-day TV, radio and satellite listings, ticket offers and informed comment on the week's highlights. Plus: eight pages of pop and classical music

Russian election: President backs Communists' insistence on 16 June poll but hints at trouble ahead

Yeltsin leaves civil war card on the table

PHIL REEVES
Moscow

Boris Yeltsin delivered a masterful political lesson in the art of having your cake and eating it yesterday as he weighed into the squall caused by his chief of security and personal confidant, Alexander Korzhakov, who suggested that the forthcoming presidential elections should be postponed to avoid civil unrest.

The president, who is lagging behind the Communists' Genady Zyuganov in most polls, said the election should go ahead on time and rebuked his aide, advising him to stop meddling in politics and keep quiet. "I trust in the wisdom of the Russian voters," he said.

Yet Mr Yeltsin was equally quick to reinforce his security chief's efforts to drum up fears that there will be civil strife if the election goes ahead and the Kremlin falls into the hands of the Communists. "Several people... believe that Zyuganov's victory would be the beginning of a civil war," he said. The remarks by Lt-Gen Korzhakov, head of the presidential guard - who insists he was speaking personally - fanned speculation the Kremlin is cooking up a plan to put off the 16 June elections, a rumour that has been bubbling away in the cauldron of Moscow politics despite repeated as-

surances to the contrary by Mr Yeltsin. The rumour is understandable, but improbable. The president is struggling to catch the Communists, even though Russia's untrustworthy polls show him narrowing the gap. Although his administration is manipulating much of the national media (despite his com-



Yeltsin: Communist victory would lead to civil conflict

plaints that the local Russian papers have been "libelling" him), Mr Yeltsin is haunted by a long list of public grievances - not least his failure to settle the conflict in Chechnya.

Moreover, his entourage is likely to regard handing over power as desirable as jumping in the filthy river Moskva.

The Korzhakov affair produced a flurry of condemnations from across the political spec-

trum, most of which served to prove little more than the election season is well under way.

The Communist chairman of the State Duma, Gennady Seleznyov, accused Mr Yeltsin of "rocking the boat". Vladimir Zhirinovskiy, the ultra-nationalist, said it was a sign the Kremlin knew it was losing. Viktor Anpilov, head of a small but influential Stalinist branch of the Communists, warned a delay could lead to civil war.

It is not all rhetoric. Russia is divided; civil war is not impossible. But the presidential bodyguard's activities have more to do with trying to whip up fears over the "radical" than any serious strategy.

In this, it probably failed. As he races around the country at a speed that must cause furrowed brows among his doctors, Mr Yeltsin would do better to stick to a more orthodox script, such as pointing out that - according to government statistics (which here, as elsewhere, should be handled with care) - the inflation rate for April dropped to 2.2 per cent, a record since the reforms began.

Whether the administration can sustain that figure is questionable - the Kremlin has been splashing out money in the hope of buying votes - but it is a useful short-term achievement, and a lot more sensible than letting loose the presidential bodyguard.

Russia's spy allegation echoes era of Cold War confrontation



Spy and go-between: Oleg Penkovsky (left), a Russian intelligence colonel, sent information to London through Greville Wynne (right)

PHIL REEVES
Moscow

IF the business of spying was the same as that of making wine, then Russia and Britain were yesterday dusting off old, and not particularly pleasant, bottles from their darkest cellars. The era? That of Philby, Burgess, and Blunt.

Seven years have elapsed since Russia and Britain have fallen out quite so spectacularly over spying, this time over an allegation by Moscow that they have caught redhanded a Russian agent working MI6, who lead them to his controllers within the ornate walls of the British embassy.

On the last occasion, each side threw out 11 people, journalists and diplomats. This time, given the evident fury of the Foreign Office, who described the Russian behaviour as "wholly unjustified", a similar tit-for-tat performance seems to be looming.

What divides the two inclusions, of course, is the collapse of the Soviet Union, and a

certain warming of relations. Only last month John Major was in Moscow for talks with President Boris Yeltsin during a summit on nuclear safety. Britain, which supports Mr Yeltsin and his re-election efforts (although it only admits to supporting "reforms"), announced another £35m in aid.

Yet, for all the cool friendliness, there is plenty of evidence that the intelligence community has ploughed on with its work. In March, a parliamentary committee warned of an increase in Russian spying. The former Defence Minister, Tom King, said the Russians "were back in business" having retreated after the fall of the Soviet Union.

These days there are 300 British businesses operating in Russia, and some £350m worth of investment. Yet secrets remain: many activities, from nuclear disarmament, to chemical weapons, Nato policy, and the sale by Russia of nuclear technology to China and Iran, remain of keen interest to the Smiley types.

But the latest affair should also be seen in the context of Russian domestic politics. Next month, President Yeltsin faces an election this summer, which he could easily lose to the resurgent Communists.

The country is in a nationalist and anti-Western mood, not least because of the proposed expansion of Nato, but also because Russians feel cheated of the prosperity that everyone promised capitalism and free market reforms would yield.

Discovering a nest of spies within the hallowed walls of the British Embassy in Moscow, a grand old mansion which overlooks the Kremlin from the far bank of the Moskva River, and which was yesterday under siege from camera crews, can only help Mr Yeltsin's administration's efforts to align itself with popular opinion.

It was not a coincidence that the Federal Security Services (FSB), the successor to the KGB, was last night crowding about the "high level of professionalism of its agents".

Whether Russians are paying any attention is another matter. They seem bored by such squabbles, just as they did in March, when the Russians threw out the British businessman Nigel Shakespear for "activities incompatible with his status", or last year, when Britain sent home a Russian television journalist.

But significantly, this is the second time in only two years that Russia has claimed to have unmasked a spy for Britain in its midst. Vadim Sinitov, 59, a Russian arms industry official, was arrested in January 1994, although the case did not emerge until March. He said he earned £8,000 for a year's work, adding that his British paymasters had been particularly interested in arms supplies to the Middle East. Shortly after this, the Russians expelled John Seardott, said by Russian officials to have been the head of the MI6 station in Moscow.

The most famous case of a Russian recruited by Britain was Oleg Penkovsky, a Colonel

in Russia's military intelligence, the GRU. He was arrested and sentenced to death in May 1963; ten days earlier, the film of *From Russia with Love*, the latest James Bond film, had been released. Greville Wynne, the British businessman who was Penkovsky's go-between was also sentenced to eight years in prison; he was freed in a spy-swap a year later for Gordon Lonsdale, who had been jailed for his role in the Portland spying ring. Eight British diplomats and five Americans were declared *persona non grata* as a result of the case.

The British Embassy in Moscow refused to comment on the affair in public. But it made its feelings subtly felt by releasing a press release last night which pointed out that today the British Defence Attaché would be officiating at a ceremony at which 80 Russian military officers will graduate from a retraining programme in Moscow, paid for by the British Ministry of Defence.

Zyuganov's surprise visit has Germans on defensive

IMRE KARACS
Bonn

The entire German government went underground yesterday as Gennady Zyuganov, the Communist who wants to be Russia's new leader, swept into Bonn on a visit that dared not speak its name. Chancellor Helmut Kohl and the Foreign Minister, Klaus Kinkel, feigned to know nothing of the "private" trip, arranged in haste by the German Foreign Policy Society, a body partly funded by the government.

Mr Zyuganov's sudden arrival in the country that has tried to spearhead President Boris Yeltsin's re-election campaign was no doubt unconnected with recent polls in Russia showing the Communist leader ahead.

Mr Kohl has made great efforts to back his friend Boris and ignore the other man. The Chancellor had an opportunity to make amends when leaders of the leading industrial nations met in Moscow in March. But while John Major and Bill Clinton greeted their teeth and shook Mr Zyuganov's hand, Mr Kohl snubbed him. By yesterday, however, Ger-

man foreign policy was beginning to change course with the agility of a supertanker. At first the stated purpose of Mr Zyuganov's visit was to deliver a speech about the Russian elections. It then transpired that the presidential candidate would also be meeting behind closed doors the leaders of all the main political parties, including Wolfgang Schäuble, the Chancellor's right-hand man and head of the Christian Democrats' parliamentary group. As Mr Schäuble is merely the second most powerful man in Germany but has no cabinet post, the visit was still private, official spokesmen insisted.

In the end the society laid on an improvised press conference but forgot to invite the German and Russian media. In true Russian style, Mr Zyuganov turned up late and immediately asked for a drink. Officials looked around in embarrassment before the interpreter cleared up the confusion: the would-be president had asked for "voda" (water), not vodka. He looked as sober as Mikhail Gorbachev, and showed off some diplomatic

skills. No, he was not upset about being treated by the West like a leper. Apart from Messrs Major and Clinton, he had held talks in Moscow with the ambassadors of all the major powers, including India.

Nor was he worried about suggestions emanating from the Yeltsin camp that next month's elections should be postponed. "The elections and the date is fixed by the constitution," he said. "From our point of view, we want to make sure that the agreed laws are observed." Should the elections be aborted, then Russia would plunge into "political chaos", Mr Zyuganov stated, without a hint of menace in his voice.

He reserved that for Western leaders trying to keep his rival in power. "It is a mistake to stake everything on one politician," Mr Zyuganov told the German television station Pro 7. "Yeltsin's party gained only 10 per cent in the last elections. You must see that in the West. To support such a policy is short-sighted."

It is a pity Germany's leaders were not able to receive his warning in an official capacity.

Rao clings to straws in face of election oblivion

TIM MCGIRK
New Delhi

It was the last campaign rally in India's marathon general elections for the prime minister, Narasimha Rao, and possibly his last ever. The crowd was sparse; the rows of empty seats in the Jammu stadium glared out at as he lectured like a dusty, old schoolmaster who had long ago lost his pupils' attention.

A bad week, indeed, for Mr Rao. At rallies from Bihar to Jammu more people turned up to see his helicopter than him. Four opinion polls predict that in the three rounds of general elections - which end today - Mr Rao's once-mighty Congress Party will fare worse than it ever has since independence. And, to top it off, his personal guru, Chandraswamy, was arrested on charges of fraud, in which the prime minister, too, has been tainted.

Yet Mr Rao seems unflappable. Reporters on the premier's airplane back from Jammu found him combative. He clings to the slender possibility that the Congress Party, even in disarray, may be able to cement together a coalition government with the leftists and some of the regional parties. Mr Rao, who is 74 and has

a history of heart ailments, believes that he, again, could be prime minister.

As Mr Rao figures it, the third-placed National Front-Left Front (NF-LF) - a loose and often loopy assortment of communists, socialists, regional strongmen, and parties representing Muslims and those Hindus on the bottom of India's social hierarchy - will never hook up with the BJP. The leftists accuse the BJP of brewing up an incendiary mix of politics and Hindu chauvinism.

Mr Rao is gambling that, eventually, the leftists will turn to Congress - and to him - to stop the BJP from enforcing their Hindu revivalism on India. The odds are against Mr Rao. The BJP, led by Atal Behari Vajpayee, a gifted orator who is jayvee, a gifted orator who is probably the Hindu party's sole liberal, may sweep as many as 200 out of the 543 seats in the Lok Sabha, according to some forecasts. If so, the BJP may suffer a government, it will be a government, it will be a government, it will be a government.

As Vir Sanghvi, a columnist in the weekly *Sunday*, opined, "To hope, as Mr Rao does, that he survives while the Congress dies, is foolish. He has guided the Congress to these depths. And if it sinks, he will drown with it."

Many leaders within the rag-tag NF-LF have vowed never to hitch up with Congress while Mr Rao remains in charge. The NF-LF blames Mr Rao for the destruction of a 16th century mosque in Ayodhya by Hindu militants and selling out to western multi-national companies in his attempts to liberalise India's rusty socialist economy.

Jaipal Reddy, a spokesman from one of the NF-LF's parties, put it bluntly: "If Narasimha Rao is not the leader, we are prepared to do business with the Congress." Meanwhile, Congress members have lost all sense of decorum. Expecting a rout in the polls, some are betting for Mr Rao's departure as party president. Others are plotting the return of Congress renegades such as Madhavrao Scindia and Arjun Singh in Madhya Pradesh, and P Chidambaram in Tamil Nadu. Within Congress, a replacement for Mr Rao is also already being sought.

As Vir Sanghvi, a columnist in the weekly *Sunday*, opined, "To hope, as Mr Rao does, that he survives while the Congress dies, is foolish. He has guided the Congress to these depths. And if it sinks, he will drown with it."

Aznar opts for Catholic cabinet

ELIZABETH NASH
Madrid

Spain's new Popular Party ministers swore an oath of allegiance to King Juan Carlos yesterday, before sweeping new precincts into old offices to clear them of 13 years of Socialist rule. The new Prime Minister, Jose Maria Aznar, defines his government as centrist but has chosen a strongly conservative and Catholic team.

Mr Aznar is flanked by two vice-presidents, Rodrigo Rato, 47, and Francisco Alvarez Cascos, 48. Mr Rato, a Jesuit-trained lawyer with a Berkeley business degree, is also Economy Minister. Mr Alvarez Cascos becomes Mr Aznar's political supremo, taking over a beefed-up Prime Minister's office. He has a reputation as something of a bruiser.

At the Foreign Ministry, Abel Matutes, 54, owner of a bank and one of Spain's richest men, brings experience as an EU commissioner. One of his first ministerial comments was to warn that the economy could be damaged by jumping into Europe's single currency too soon. Jaime Mayor Oreja takes over an Interior Ministry split from the Justice portfolio, with the challenge of stopping Basque terrorism. Mr Mayor Oreja, who built up the PP in the Basque country, is well placed to attempt the task, and is credited with bringing in the five MPs of the Basque Nationalist Party behind Mr Aznar.

Mr Aznar's team comes from a nucleus of young politicians who joined, or founded, the pro-Franco Popular Alliance during Spain's first steps towards democracy, but then ditched the dictator's political legacy.

Four flamboyant women are included. Isabel Tocino heads a new Environment ministry. Esperanza Aguirre, a Madrid senator, leads the combined ministry of Culture and Education, while Margarita Mariscal, a right-wing independent magistrate, heads the Justice ministry. Loyola de Palacio, the former PP parliamentary spokeswoman, takes over Agriculture.

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The District Auditor's final verdict on Westminster council may rob John Major of his majority. **David Walker** reports

I spy with very good reason

Morland cigarettes have long disappeared, Aston Martin belongs to foreigners, but James Bond is still out there doing his stuff, and sometimes – as yesterday – getting caught. Shaken, but not stirred, some of Britain's finest have been ordered out of Moscow following the arrest of a Russian who was allegedly working for MI6.

Nobody will confirm that any of the diplomats stepping out to the British Airways plane at Sheremetyevo are operatives of the Secret Intelligence Service, of course; nor will Moscow confirm, when Britain responds (as it surely will), that the people climbing aboard Aeroflot at Heathrow are spies. But at least some of them probably will be.

This may all seem like the most colossal waste of time, money and effort. We send out our chaps (and, increasingly, chapesses), they send out theirs, both spend valuable hours opening each others' mail, then everybody gets thrown out of the country and we start all over again.

Why spy? With all the information that is so readily available, with the end of the Cold War, with the retreat from empire, why bother with all this expensive nonsense? The answer is that it is not nonsense. If anything, more should have been spent on intelligence over the past decade. It might have helped in the Gulf, in the Falklands and in Russia itself had we understood a little more of what was going on in advance.

But why spy on Russia? Because it still possesses a prodigious military capacity, and uses it in ways that concern Britain (such as its activities in Azerbaijan, where BP has extensive interests). It still has the ability to spring surprises, by threatening to pull out of important arms control treaties, for instance. Its relations with other nations, in particular China and some Middle Eastern countries, are a

matter of concern. Russia is also the source of a large amount of organised crime and money laundering. And Russia, as we have been told by MI6's friends in MI5, spies on us (so we spy on them, and so on).

But there is more to this latest incident than the usual "I spy a spy" tango. We are no longer on the terrace of the Casino Royale; this is the post-Cold War world. The expulsions have been handled in an unusually high-profile way, which means that Moscow is making a heavy-handed point to foreign intelligence agencies and governments: don't mess with us. The Russians are also making a point to their own internal agencies; that good relations with the West don't preclude the smack of firm government, on occasion. And it is also making a point to Russian voters, ahead of next month's election: this is a regime that is prepared to get tough with those rascally foreigners.

The general drift in Russian attitudes over the past two years has been to reassert the nation's place, opposing Nato expansion, for instance, and playing an increasingly tough game in diplomatic negotiations. Since Yevgeny Primakov took over as Foreign Minister – he was formerly head of the foreign intelligence service – the intelligence agencies in Russia have got something of a new lease of life. Mr Primakov has also started to redirect foreign policy, carving out a new and more assertive role for Russia in the Middle East and Asia.

As the elections approach, and as Russia pulls itself out of the post-Soviet malaise that has bedevilled any coherent policy, that assertive trend is likely to strengthen. We have good reason to worry about Russia. It follows that this, after all, a good time to be gleaming the best intelligence we can find on its immediate future.

MPs need cutting down to size

It has been a long time since our ancient democracy had a lesson to learn from Spain's recently revived version, but that day has come. Jose Maria Aznar, the country's new Prime Minister, has started with the kind of downsizing that many a corporate high-flyer would be proud to emulate on his fustage. Indeed, Senior Aznar has started at the very top – by downsizing his cabinet to a mere 14 members.

Britain's cabinet has 22 members, all of whom sit down once a week around that grand table in Number 10, or more often in a crisis. Many serve an obvious purpose – Home Secretary, Foreign Secretary, Chancellor, etc. But most of the others are really like the tail end of an international football squad, only really needed when the injury list grows too long. In reality, fewer than 10 cabinet ministers actually make the big decisions – often as few as half a dozen.

And that team is bolstered by a further 46 ministers of state, mini-ministers and the like, all of whom inhabit tidy little burrows in the Whitehall Warren. Over the past decade or so, those ministers have done much to cut down the bureaucrats who serve them, giving some off into arm's-length agencies and cutting others out altogether. But has the number of ministers gone down in similar proportion? Not a bit.

The truth is, most of the smaller Whitehall bag-carriers have very little to do, apart from flatter and favour their departmental boss in the hope of subsequent advancement. Supposedly, they are in training, or under trial, for one of the big jobs. In reality, however, many of them are having their support bought in return for the odd trip in a ministerial car, and the dubious glamour and kudos of belonging to HMG. Every vote that the Prime Minister manages to lock up on his front benches, and in the whip's office, the fewer he has to worry about keeping on side when things get tough.

It seems like a persuasive argument, until you consider the old advice given by one junior minister to those who followed him, to the effect that there were only two reasons for being a junior minister: one was to give you a handhold on the greasy pole; the other was to find a good excuse to resign spectacularly, and so make your name for the next government.

So there is precious little case for having so many ministers, apart from the fact that you need a good proportion of your side in the Government. Well, there is an easy answer to that: cut the number of MPs. Here is a classic case of modern streamlining. Cut the executive layer and you may soon find you do not need so many down below. We could live with, say, 400 to 500 MPs (against the present 650) and still have plenty of voices in Parliament. And there is an incentive: we may even be able to afford to pay and staff MPs' offices better if we have fewer of them. It is time Parliament started cutting itself down to size.

Appliance of science to stripy bow ties

Ever since Melvyn Bragg started being interested in science and having lots of scientists on his *Start the Week* show, lots of ordinary people have started being interested in science and asking scientific questions that they have never asked before, such as "Why are there so many scientists on *Start the Week* and, statistically speaking, is it against the odds to have so many, especially geneticists, on the programme?"

The trouble is that there is nowhere the ordinary person can turn to in order to get the answer to this sort of scientific question, as you will know if you have ever tried ringing up the *Start the Week* office, which is why I have today hired Dr Vernon Goldtooth, professor of science and media studies at Milton Keynes University, to answer all your science-oriented queries. Take it away, Vern!

Every spring the earth is laden with blossom from countless cherry trees, not to mention those strange sickly green-yellow flowers from the springtime scumtree tree. Every autumn the earth is laden with the falling leaves, whirling down dead and discarded by the first fierce winds of numb-fingered November. What I want to know is: Is the earth heavier in spring and autumn because of all this deposited stuff from trees?

Dr Vernon Goldtooth writes: What principles every time he had a discussion, we would never get anywhere. All right, then – if matter cannot be created or destroyed, can ideas be created or destroyed?

Dr Vernon Goldtooth writes: In what way?

Well, in the way that ideas become fashionable for a few years and are then exploded. Are they literally exploded? Are they destroyed? Fashion ideas, for example.

Dr Vernon Goldtooth writes: Ah, no – fashion ideas are never destroyed, they always come back again. However ridiculous they seem at the time, whether flared jeans, black berets, odd-coloured socks, stripy bow ties or T-shirts saying "Che Guevara". They always come round again.

What about ideas discussed on *The Moral Maze* on Radio 4? Aren't they destroyed during the discussion? Or at least left very badly damaged?

Dr Vernon Goldtooth writes: Ah, but *The Moral Maze* is not a programme about ideas. It is a soap opera about four or five people who can't stand each other shut up in a room together. The interest lies in seeing who gets on whose nerves. The other day I came home and my wife said: "You should have heard *The Moral Maze* today – Martin Bell, who was one of the witnesses, rounded furiously on Dr David Starkey, and Starkey hardly spoke again in the rest of the programme!" I asked her what they were arguing about, but she could hardly remember the ideas involved – what had struck her was the personal relationship. You see? We only think it is a discussion programme because it has a name like *The Moral Maze*. Name-changing changes the nature of the object.

I don't think I quite understand.

Dr Vernon Goldtooth writes: Oh, it happens all the time. Sinn Fein, for example, have always denied any connection with the IRA, which rather strains credulity, so the Ulster Unionists rather wittily have recently taken to referring to Sinn Fein as "Sinn Fein/IRA" as if there were no difference. Similarly, John Prescott has recently started referring to Dr Brian Mawhinney as MISTER Mawhinney, as if Mawhinney were not a real doctor, which indeed he isn't, may be only a coincidence, but the fortunes of both Sinn Fein and Brian Mawhinney have gone down since then.

Got any questions you would like half-answered? Then send them in to Dr Vernon Goldtooth! And don't forget – Dr Vernon Goldtooth would VERY much like to be invited on to *Start the Week*.



LETTERS TO THE EDITOR

Downshifting benefits workers as well as bosses

Sir: In his article "Are you ready to downshift?" (3 May), Stephen Bevan misses the opportunity to give a clear, timely and important message to corporate leaders and concerned employees.

He suggests that downshifting may be regarded sceptically as being driven by business imperatives rather than the desires of the workforce.

In my professional capacity, as an expert in corporate change, I hear an increasing demand, particularly in the banking sector, for more reasonable working hours and an end of needing to stay late, often without justification, for fear of falling victim to "the first

one seen to leave will be the first one asked to leave".

Employers have focused for too long simply on getting more out of their people, rather than more out of the "man hours" they are paying for. Downshifting is an option worth serious consideration, for at present many employers do not feel valued, their self-esteem is damaged and inevitably their performance has suffered.

The article rightly stresses the importance of developing self-esteem and psychological well-being, along with a sense of trust and security.

I firmly believe that business needs, and workforce preferences, can both be well served by using

downshifting to create a flexible and committed workforce.

JEREMY GYNN
The Self-Esteem Network,
London, SW6

Sir: A survey from the Federation of Small Businesses highlights the disturbing phenomenon of the "jobless recovery". More than 82 per cent of small firms plan to create no new jobs in the next three months, in spite of apparent economic recovery.

Many employers claim that increased deregulation and flexibility enable them to hire people more easily. Yet the economic sector which is supposed to provide significant employment

growth tells us not to expect any new jobs. Although official unemployment figures have shown a fall over the past few years, that trend may be on the turn.

Gillian Shephard, Secretary of State for Education and Employment, has said Britain is forging ahead in job creation "because the right conditions exist for companies to flourish". A genuine recovery has to include job creation. Companies cannot truly "flourish" in a society where increasing numbers of people are in under-protected, insecure work or have no prospect of employment at all.

JO GARDINER
The Industrial Society
London W1

Red beef is safe to eat

Sir: This nightmare of pan about beef and the resultant policy (report, 2 May) which we not get rid of BSE is caused! confusion due to the use of the word "beef" in all official proclamations.

"Beef" includes meat produced on the one hand and the meat on the other. It is vital important to understand that the red meat of BSE-infected cattle has never transmitted the disease in any of the extensive experiments carried out over years, whereas the brains and cords ("specified offal") – which still go into meat pies, patés, tinned items and stock cubes – have.

This, after all, has been our experience over the centuries with the original disease in sheep – scrapie. We have eaten scrapie-infected red meat with impunity because we were never forced willy-nilly to eat sheep's brains. Unlike cattle brains they were never removed from the skull to be added to our "meat products".

The assumption that muscle tissue must be infected since it contains nerves is neither supported by facts nor is it in keeping with other "slow virus" diseases of the central nervous system in which the disease process stops short at the surface of the spinal cord and never involves the peripheral nerves.

In other words, we could live with BSE, as we have done with scrapie for centuries, as long as we are not forced to swallow infected material in meat products. Our message to the world should be: "The red meat of British cattle is safe."

H C GRANT FRCP
Neuropathologist
Edinburgh

Tender price is not everything

Sir: Paul Gosling ("The cheaper, the better", 1 May) reported Sir Paul Beresford's and the Department of the Environment's intentions concerning the present compulsory competitive tendering (CCT) regime.

If the DoE [takes a] decisive step to push councils to award more out-of-house work by shifting the emphasis from quality to price, this will severely compromise the procurement of quality professional services where precise tender specifications cannot be prepared and the method of delivery is of paramount importance to ensuring quality of public service.

But Sir Paul, as Environment Minister, should already know just how important quality is. His department produced that excellent discussion document *Quality in Town and Country*, promoted enthusiastically at seminars attended by his Secretary of State, John Gummer. Let us hope that the DoE adopts compatible and integrated policies on the environment and associated professional services procurement so that we can really celebrate the millennium.

DAVID YORKE
Chairman
Royal Institute of British Architects, Northwest Region
Knutsford, Cheshire

Why give Shakespeare a licence to shock?

Sir: I must take issue with Polly Toynbee ("Old enough for the bloody Bard", 30 April). Why should Shakespeare be placed in some special category over and above all other playwrights, novelists and scriptwriters whose work finds its way into film? I am quite sure that the British Board of Film Classification takes artistic merit into account and that it was borne in mind in awarding *Richard III* a 15 certificate. A film featuring graphic violence and explicit oral sex (even off camera) would not normally

be anything other than an X.

A director has a choice as to how he or she will portray the violence and sex that a script demands. They can be as unnecessary in an adaptation of a classic play as of a blockbuster – look at *Jarvis's Edward II*. The name of Shakespeare or Marlowe or Ian McKellen cannot somehow magic away the harmful effects (if any) of on-screen violence.

Polly Toynbee's article does help expose the absurdity of the current system. The fact that a 16-year-old can legally have real sex

Zulu boy a victim of 'apartheid'

Sir: The forcible separation of a Zulu child from the only family he knows and loves ("My Zulu boy was legally abducted", 6 May), presents us with the iniquity of apartheid now being officially applied in Britain after having been dismantled in South Africa.

Ever ready to level the charge of hypocrisy at Britain, the hard-line right wing of Afrikaner nationalism can be expected to make full use of the signal this outrage transmits to Africa and the world.

P S KELLETT
Kinlochewe,
Ross and Cromarty

Fragile revival in Bosnia

Sir: I have just returned from a visit to Bosnia, where Feet The Children has been operating throughout the war and is still working hard.

There are visible achievements in Bosnia. Thanks to I-For, the armies have been separated and are in their barracks, and there are signs of a gradual return to normal life. It is now possible to travel freely the length and breadth of the country, as I have just done. With the coming of spring, people are busy digging, ploughing and sowing crops, and there is much house-repairing going on.

But an immense amount remains to be tackled. Ethnic hatreds persist. The armies are still there. Factories are in ruins,

minefields are everywhere. Many thousands, not least children, are living in the most miserable conditions.

The wounds need time to heal. It would be tragic if all that has been achieved by Dayton and I-For, which is costing millions, were to be thrown away through a premature slackening of international concern. A particular focus must be the restoration of schools and kindergartens, many of which have been damaged, often destroyed. Success would help to produce the "peace dividend" which is badly needed.

MARTIN EWANS
Chairman
Feed the Children
Reading, Berkshire

Tax law and pension funds

Sir: Following the article "NAFF chief proposes to end tax free nest eggs" (3 May), I wish to clarify NAPP's position in regard to changes in the tax treatment of retirement lump sums and investment income. In most UK schemes, the current taxation system provides advantage for the scheme members at the point of retirement whereas an improvement in the tax treatment of investment income would usually pass on to the employer. That could be inequitable.

The current regime is entirely defensible because schemes invest heavily in UK equities and the current combination of ACT and mainstream corporation tax, where both are payable, results in an effective tax rate of 16.66 per cent on distributable earnings. Even before the iniquitous change in 1993, dropping ACT to 20 per cent, the effective rate of tax was 11.11 per cent. It is wrong to claim that pension funds are truly tax free. In essence we pay tax on part of our investment income and it is therefore entirely justifiable that part of our benefits are tax-free. NAPP has not proposed any changes to this structure, nor does it intend to.

TOM ROSS
Chairman
National Association of Pension Funds Limited
London SW1

Vacuum at the political apex

Sir: It is entirely appropriate that your leading article (3 May) which attacks Michael Howard's judicial abuses is adjacent to the Letters section, which includes comments about the lack of democracy in London and Mohamed al-Fayed's interest in wide-ranging constitutional reform. While the *Independent's* criticism of the Home Secretary is to be applauded, it should place his misdemeanours in the proper context. Calling the Government arrogant misses the point. The question all of us should be asking is, how can they keep getting away with it? The answer, as Mr Fayed has realised, is that there is nothing to prevent them.

Supporters of the monarchy argue that it does not matter that the head of state is unelected because he does not have any power. There is a political vacuum at the apex of our democracy. The only check on government power is the judiciary – itself a self-appointed clique – and supra-national bodies.

Wide-ranging constitutional reform, such as that outlined by Mr Fayed, needs to be implemented as soon as possible.

ANDY WHITE
Belfast

Railway for sale

Sir: You report ("Row over Railtrack's 'lost millions'", 30 April) that Railtrack may need £110 spent on tunnels and bridge repairs over the next 10 years. Buying shares in Railtrack is a bit like buying a second-hand car off Arthur Daley, except that the scale is more grandiose.

FRANK HOPWOOD
Manchester

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

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William Colby

The last of the great spymasters, William Colby contrived in his later years to appear as a normal person rather than a shadowy figure burdened down with the nation's secrets.

Shortly after his retirement as CIA director in 1976 he literally bumped into him coming out of the Century Club in New York. He was wearing his raincoat and a hat, but underneath this espionage garb was a pleasant and gracious man. His autobiography, *Honorable Men*, had just been published and he was briefly a celebrity and, perhaps, more open to someone he had never met stopping him in the street and asking to talk about Soviet missiles. That is what he did. I'm not saying he told me any secrets; he didn't. I just wanted to note that he could be approachable in a way his more furtive colleagues such as James Angleton never were. It seemed that he was trying to be more open.

Colby began his 30-year espionage career during the Sec-

ond World War as a member of Major-General J. "Wild Bill" Donovan's Office of Strategic Services. He was dropped behind enemy lines in German-occupied France and Norway, where he blew up railroads, joined resistance networks and led groups of underground fighters. Recently, at a spies' reunion, Colby recalled the first time he parachuted into France in 1944. "We established contact with London and started gathering resistors. We taught them how to mine railroad tracks and destroy bridges. We tried to get a Panzer division to fight us instead of going on to Normandy. We held them up for three weeks. You can't get a Panzer division to stay very long with three men and a bunch of kids."

When President Harry Truman dishonored Donovan's "Wild Boys" immediately after the war, the Central Intelligence Agency quickly replaced it as the permanent espionage service to counter the KGB.

Colby rose swiftly through the ranks and was most active during the Vietnam war, when he became Saigon station chief and then chief of the agency's Far East division. He steered the infamous intelligence operations that now belong to another distant era - the strategic hamlet programme, the coup against Diem, the CIA's worldwide anti-Communist cultural, labour, student and media covert missions. He was at the centre of the secret war in Laos and the disastrous Vietnam Pacification Programme and the so-called Cords (Civil Operations and Rural Development Support), including Operation Phoenix, which was intended to destroy rural support for the Communist guerrillas and led to sweeping arrests, torture and the execution of suspects.

He was director of the CIA from 1973 to 1976, a time when the agency came under intense scrutiny over its dirty tricks from the media and Congress.

Its more outrageous operations were brought somewhat to heel. After Vietnam, Colby was in charge when the spy agency helped overthrow President Allende in Chile, and, of course, he was head of the CIA under President Nixon during Watergate. He was fired by President Ford and returned to a law practice in Washington DC.

In *Honorable Men* he strove to put a corporate face on "the company", analysing the so-called "three cultures" of a Cold War spy operation - the James Bonds, the political and paramilitary activists, and the analysts who read books and papers.

It was the war in Vietnam that filled the central part of Colby's CIA career. He was sent to Saigon first in 1959, and was CIA director when Saigon fell in 1975. In his memoir of Vietnam, entitled *Last Victory* (1989), Colby joined a long list of other officials such as Robert McNamara, who tried to retrace their steps and salvage some-

thing from the wreckage of American policy in South East Asia. "If only they had taken my advice" is the standard lament



Colby: the last great spymaster

in these works, and Colby was no exception. Most of these accounts contain little new pertinent information.

Colby's line was that victory was within grasp after the pacification programme (the one he directed), but was thrown away

by wrong-headed policies - mainly inadequate levels of military aid.

His book was viewed by the harshest critics as more a compilation of government press releases than a serious attempt to analyse the American adventure in Vietnam. In one passage, Colby asserted that "on the ground in South Vietnam, the war had been won" by 1972 - mainly as a result of the pacification programme. Colby was an unrepentant professional, no remorse for him.

He could not bring himself to admit the extent of the failure that has been so well documented, nor the implications of the corruption rife in the Saigon government. His military overview also left out the key factor. While the South Vietnamese forces had withstood a big offensive from the North they had lost bases and taken such high casualties that some divisions had not recovered by the time the end came in 1975.

Colby was also taken to task

for his view of the evacuation of Saigon and the fate of the CIA station's employees who were left behind. Colby treated too lightly for his critics the charges that many who should have been helped were abandoned and that sensitive documents incriminating them were also left behind. In a 1977 book, *Deceit Interval*, a former CIA officer, Frank Snepp, claimed that 70 Vietnam translators and their families were left in one CIA compound. Colby admitted only that "many who should have been helped to depart were not, but many others were".

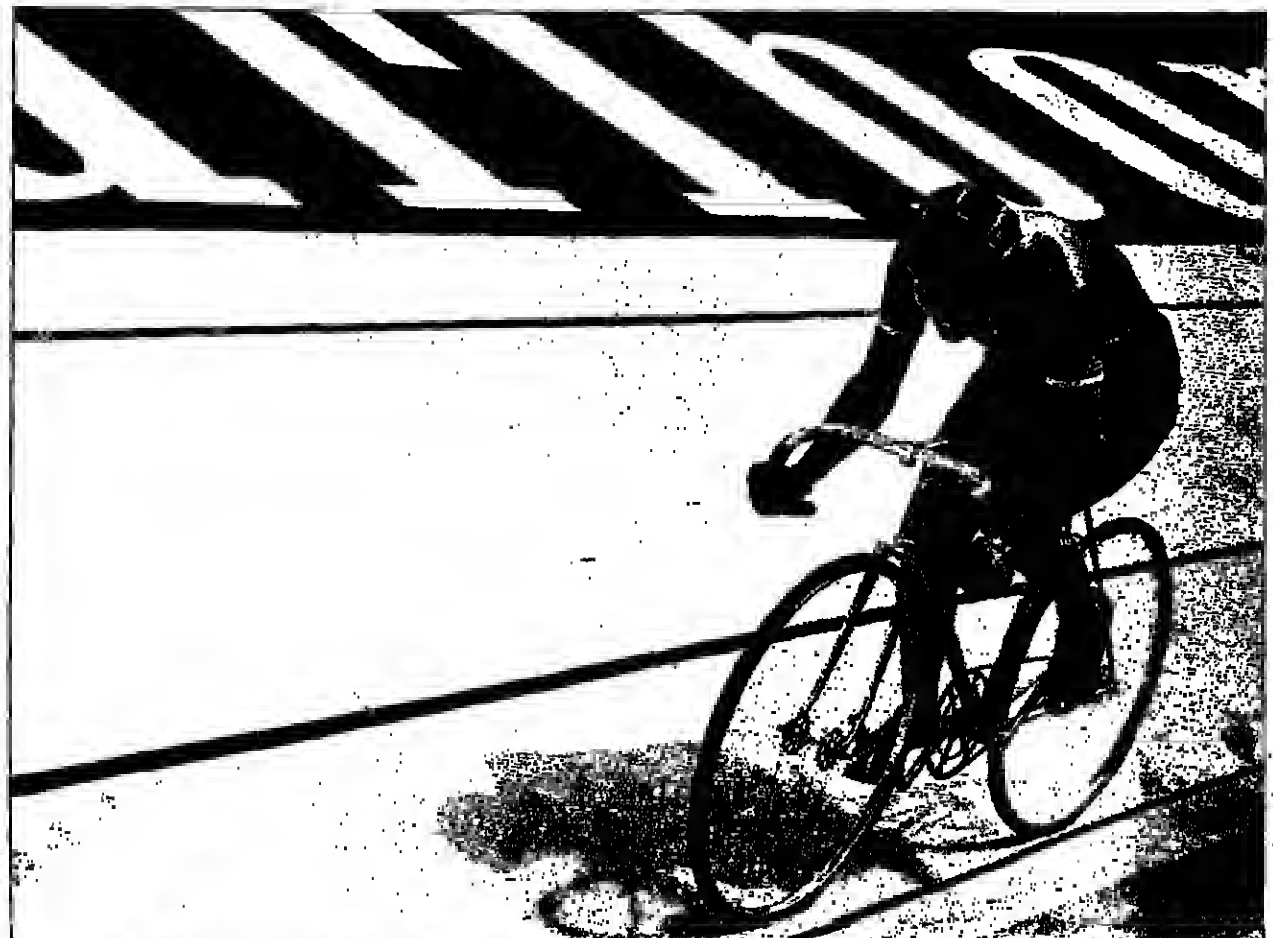
In the end, Colby tried hard to accept CIA reforms but found it as difficult as any of Donovan's "Wild Boys" to be reined in and expected to play by new rules - especially to account for agency actions before Congress.

In one of his last appearances, a year ago, among old campaigners, Colby was still cheering on the boys in their

under-cover, modern espionage fight against terrorism, organised crime, drugs and the secret development of nuclear weapons. Good intelligence, he said, can replace "ignorance, fear and suspicion with knowledge and confidence". In other words, so far as he was concerned "the company" was still in business and there was much work to be done.

Peter Fringale

William Egan Colby, lawyer and government official: born St Paul, Minnesota 4 January 1920; Attache, American Embassy, Stockholm 1951-53, Rome 1953-58, First Secretary, Saigon 1959-62; Head, Far East Division, Central Intelligence Agency 1963-67; Ambassador, Director of Civil Operations and Rural Development Support, Saigon 1968-71; Executive Director, CIA 1973-75; Director 1975-76; married 1945 Barbara Heinzen (three sons, one daughter); 1984 Sally Shelton died Cobb Island, Maryland 27 April 1996.



Burton in 1970: starting from 1959, she won 25 consecutive Best British All-Rounder titles

Photograph: Allsport

Beryl Burton

No other British sportswoman has dominated their field in the way that Beryl Burton dominated the world of cycling. As *Velo Gotha*, the Belgian-published bible of cycling facts and figures succinctly put it: "She was the best known and most successful woman cyclist."

In the course of a career that spanned five decades, the fiercely competitive Yorkshirewoman won seven world titles - two road race championships and five track pursuit titles - and 96 national titles - 12 road race championships, 13 pursuit titles and 71 time trial titles against the clock.

Although she won her last titles in 1986 and in recent years was dogged by ill-health, she was entered to ride the national "100 mile" championship next weekend. Since her last race, she has broken "Time trialling, racing against the clock over a set distance, was Burton's speciality. It was solitary discipline, both mentally and physically taxing. Starting in 1959, Burton won 25 consecutive Best British All-Rounder titles, awarded to the fastest woman against the watch over 25, 50 and 100 mile distances. Along the way she set speed records, some in 1976 at

the age of 39, at all three distances, which still stand.

Cycling, at least in Britain, is not a rich sport, and Burton worked throughout her life in order to support her ambitions. Asked in the 1980s why she continued to ride prodigious distances every week and race against women half her age, Burton bluntly replied "because I like cycling". She was a true amateur in that respect, loyally riding throughout her career for Morley CC.

Burton supervised her own training, rode the races she wanted and had little to do with the sport's governing bodies. But her achievements were impossible to ignore and she was awarded an MBE in 1964 and an OBE in 1968. Despite such recognition Burton never felt that either the local or national press properly appreciated her efforts.

She may have had a point since, when she was at the peak of her powers, she regularly beat the men. In 1967, she overtook Mike McNamara in an OVO CC 12-hour time trial on her way to setting a women's record of 277.25 miles in the set time. McNamara's distance of 276.52 miles in the same event

was itself a new men's record.

When Burton overtook men during a race, they could always expect a quickfire witicism or word of encouragement. When she overtook McNamara she nonchalantly offered him a liquorice allsort.

The next year, in 1968, she set a women's 100-mile record in a time of three hours and 55 minutes. It was the fourth fastest ride over that distance in Britain by any rider of the time. Such feats in another, more popular sport would have earned Burton world-wide recognition.

Burton's involvement with the sport that dominated her life came about by chance. Her first job as a teenager was in a tailoring firm in Leeds where she noticed a young man make a clicking noise as he walked across the factory floor. This was Charlie Burton and he was wearing cycling shoes with metal cleats on their soles.

She married Charlie when she was 17 and he remained in the background throughout her career as helpmate, mechanic and companion. His family provided Burton with the support that allowed her to continue her racing career after

daughter Denise was born in 1955.

Denise herself grew into a powerful cyclist, representing her country at international level. Relations between mother and daughter became difficult as they emerged as racing rivals in the 1970s. After Denise outperformed Burton in the 1975 national road race championship to take the title, her mother refused to shake hands with her on the podium. As Burton explained in her 1986 autobiography, *Personal Best*, the race was the culmination of a series of acrimonious rows: "This is not a story for some romantic magazine, it is a real life narrative about basically ordinary people with jangled nerves and emotions, our bitter conflict played out in an almost gladiatorial fashion."

An emotional reconciliation followed, though the two women were never bound together by their love of the sport in the way that Burton had wanted.

Tim Clifford

Beryl Charnock, cyclist: born Leeds 12 May 1937; MBE 1964; OBE 1968; married 1954 Charlie Burton (one daughter); died Harrogate 5 May 1996.

Ivo Jarosy

For more than 50 years, the Academy Cinema in Oxford Street was London's pre-eminent art house. It was here in the Thirties that British audiences first saw major films of Jean Renoir and Marcel Carné, and where, in later years, the reputations of Ingmar Bergman, Andrzej Wajda, Satyajit Ray, Jean-Luc Godard, Miklos Jancsó and many others were largely established in this country. The Academy's fastidious standards were maintained by a succession of just three people. The last of these was Ivo Jarosy, who reluctantly closed the cinema in 1986.

Jarosy arrived in England in 1938 and became a publicist at the Academy, working for the formidable Elsie Cohen who had inaugurated its art-house policy. His stepfather, George Hoellering, was a director of the cinema and ran it after the war with Jarosy as his right-hand man. Jarosy's meticulously compiled press releases helped many a reviewer unravel the complexities of the often difficult and challenging films that the Academy liked to show. He also worked closely with Peter Strausfeld who created linocut images for the Academy's distinctive posters (the cinema refused any existing artwork), and commissioned the silk-screen designs that appeared after Strausfeld's death.

Hoellering and Jarosy would visit the major festivals and for many years bought films for their own releasing subsidiary; but their offer of an Academy run would be enough for other British distributors to acquire a picture. Many films that are now regarded as classics, such as

Ray's *Pather Panchali* and Jancsó's *The Round Up* were daring choices that opened British eyes to the work of new directors. In fact, *Pather Panchali* was owned by a rival specialised cinema which was reluctant to show it.

The Academy demanded an exclusive run for every film it booked, and even rescued British and Hollywood films that were on the shelf, most notably Ken Loach's *Kes* in 1970. As Jarosy recalled in an interview he gave for the Winter 1994/5 issue of the magazine *Picture House*, "Kes was probably the highest financial success we ever had. We said to the distributors, 'Look, we think it's a wonderful film. Why don't you put it on at the biggest cinema you can find?' They said it wouldn't work. 'Why not?' You need subsidies, you can't understand what the people are saying! And they said, 'We don't think so.' The press, of course, went crazy over it."

Inevitably, the Academy relied heavily on the support of the critics, who did not always encourage audiences to see its choices. If a film was doing badly, there were old classics to be brought back in sparkling new prints (it was always reviving *Les Enfants du Paradis* as if to make up for the fact that this was one of the films it did not premiere in London). And many will gratefully recall the regular summer seasons of silent Buster Keaton comedies and Laurence Olivier's Shakespeare adaptations.

In order to show more films, especially those of very limited appeal, the Academy added a small cinema, initially run as a

club, in place of adjacent offices in 1964, then the following year created a third, mid-size auditorium in the basement. It never became the most comfortable of venues, but the striking red mock-curtain decorative scheme of the main auditorium walls, created by Angus McBean in 1954, set the tone for serious deliberation of the film on screen. McBean also designed the Pavilion Restaurant, the best attached to a West End cinema. If the Academy had a curable fault, it lay perhaps in the supporting shorts which were, of course, carefully chosen but seemed too often on the ponderous side.

After Hoellering's death in 1980, Jarosy kept the Academy going through what had become, after so many years of success, difficult times. Jarosy recalled: "In the last ten years of its existence, we subsidised the running of the Academy by about £1.5 million, from the money from the letting of offices in the building. It was getting worse all the time. Our faithful



Jarosy: art house cinema

audience was getting old and didn't like going out any more at night. And any film shown in a specialised cinema was going to show up on television after a shorter and shorter interval. And, of course, as far as our situation went, it was never very good for a cinema. Leicester Square and its approaches are the place for West End cinemas." But Jarosy's tastes had perhaps aged with him and newcomers like the Lumière had seized the initiative.

Jarosy enjoyed his retirement, reading poetry and watching old film favourites on television but never succumbing to video. I last saw him on the Monday before his death when he attended the National Film Theatre's tribute to his old friend on the festival circuit, the late programmer and critic John Gilling. Jarosy always seemed the most courteous, patient and considerate of men in his business dealings. During my interview he remembered his delight in 1956 when the Academy was offered Elia Kazan's film *Baby Doll* by puzzled Wardour Street executives who were appalled by its sizzling box-office potential. I reluctantly excised the anecdote and amended several other comments because he feared they made him seem "smug and arrogant" at other people's expense.

Allen Eyles

Ivo Rudolph Jarosy, film exhibitor: born Berlin 9 November 1921; married 1952 Joan Grant (two sons); died London 1 May 1996.

Peter Swales



Swales: belief that Manchester City could be bigger than United

The story of Peter Swales, who died three days before Manchester City lost their place in the Premiership, and of his former partner Noel White, is worthy of Thomas Hardy. The two men formed a small business (radio and hi fi) at exactly the right time - in the early Sixties - when technological advance and rising affluence met, for a huge market to be created. Their prosperity gave the partners the time and money to indulge in a hobby, in their case a local football club, Altrincham.

Their knowledge, enthusiasm, hard work and choice of managers, turned Altrincham from nobodies into one of the leading clubs outside the Football League.

In nearby Manchester the two big clubs, United and City, were not far off par. Would United ever recover from the loss of Matt Busby's shrewdness and wisdom? Could City, the major club pre-war, overtake them again? The essential difference lay in the boardrooms: United managed to keep any friction to themselves; City, the more friendly and open club, kept their heart on their sleeve.

At Maine Road, a majority shareholding became available in 1973. City's directors wanted someone with money and preferably with a knowledge and love of football. One director wrote: "Did I think White and Swales might be interested?" I telephoned Swales and put the question to him. There was a pause and he replied "Yes, I think I would". I passed on the City director's number only vaguely aware that history might be made.

In recent years it has become fashionable to denigrate Swales. While Noel White went into the hotel business and from there to the Liverpool Board and chairmanship, Swales applied fierce energy to two ambitions: first to put City ahead of United and second to win a personal position of power within the game.

He achieved the second but the first proved beyond him, and in his impatience to succeed he appointed and sacked 11 managers, many of them good choices. While he was a generous supporter of the managers in their transfer dealings he could interfere. Malcolm Allison, City's most prodigious spender, relatively on transfers, always maintained that one of Swales's most extraordinary deals, the signing of an almost unknown Wolves midfielder Tony Daley for the then phenomenal sum of £1 million, was done behind his back.

Allison had agreed a much lesser fee with the Wolves' manager and had turned his at-

tention elsewhere while Wolves waited for boardroom ratification. Swales, according to Allison, intervened on a chairman to transfer instantly but at a much higher price.

Thus it would be fair to say that no manager felt entirely secure with Swales. The situation might never have become threatening, however, but for the arrival of Alex Ferguson at Old Trafford. City, who for a decade had had the pick of local promise, found a reconstructed United with them on every school and youth club touchline. Ferguson also used United's greater financial resources to better effect in the transfer market as he rebuilt Busby's empire. The pressure for such success at Maine Road grew heavier almost daily.

White had risen with Liverpool to unparalleled success and Swales's consolation was a climb through the ranks of the FA until he became chairman of the International Committee,

the body that controls the England management. The choice of Graham Taylor to succeed Bobby Robson was greeted, at the time, with almost universal approval, but the honeymoon did not last.

When Swales found a manager who might have taken City back to the summit, Howard Kendall, he soon lost him to Everton. He did find another, Peter Reid, who showed promise, but the progress wasn't fast enough and Reid had to go, a decision that Swales admitted afterwards was a mistake.

And when United started to win again on a regular basis, the support at Maine Road became increasingly challenging, confrontational and bitter.

Once Francis Lee, a City hero of the 1970s and millionaire businessman, had expressed an interest in taking over City, Swales's days were numbered. His boardroom position was still sound, but the violence of the attacks by fans, at Maine Road, and against his family, eventually persuaded him to stand down although he retained his position with the FA.

City offered him the privileges and perks of a life presidency but he never returned to Maine Road.

City's relegation, last Monday, would have twisted his heart. Peter Swales died unwavering in his belief that Manchester City could be a bigger club than United.

Derek Hodgson

Peter Swales, football administrator: born Manchester 25 December 1932; married (three daughters); died Manchester 2 May 1996.

DEATHS

MASKELL: John on 1 May 1996, much loved by Lorna, Sarah, Ian, Fiona, Daniel, Jacob and Tullulah. Funeral Oxford Crematorium, Headington, Oxford Friday 10 May at 12 noon. Family flowers only. Donations if wished for Aston Rowant C.C. or Chinnor R.E.C. or John Maskell Sports Fund, Nat. West Bank, Princes Risborough, Bucks HP27 0AH.

WICKITT: Jean (nee MacVean), author and poet, greatly loved mother of Alexander and Caroline. Cremation West London Crematorium, Kensal

Births, Marriages & Deaths

Green Cemetery, Friday 10 May at 12 noon. Flowers to H.J. Bent, 343 Ludbrook Grove, London W10. Donations in Odam if desired.

For Gazette BIRTHS, MARRIAGES & DEATHS please ring 0171 293 2011.

Wills

Henry Alan Walter Richard Percy, 11th Duke of Northumberland, of Alnwick Castle, Alnwick, Northumberland, test estate valued at £5,364,311 net.

Mr Alan Dudley Bush, of Radlett,

Hertfordshire, composer, pianist, and Professor of Composition at the Royal Academy of Music 1925-78, left estate valued at £83,712 net.

Winifred Margaret Percier, of London N6, sister of the late Kathleen Percier, left estate valued at £194,471 net.

Birthdays

Mr Scobie Breasley, jockey, 51; Miss Teresa Brewer, actress and singer, 66; Lord Briggs, historian, 75; Mr Peter Carey, author, 53; Sir Charles Cunningham, former senior civil servant, 90; Professor Alan Cuthbert, Master of Fitzwilliam College, Cambridge, 64; Sir Remy Gieddes, former chairman, Dunlop, 84; Professor Robert Gooden, architect, 87; Sir James Gowans, former Deputy Chairman, Medical Research Council, 72; The Right Rev Robert Halliday, Bishop of Brechin, 64; Mr Robin Hanson-Tennison, explorer and author, 60; Mr Michael Hawkes, former deputy chairman, Kilmorynch, 67; Sir Lennox Hewitt, industrialist, 79; Sir Michael Hopkins, architect, 61; Lord Kirkhill, former Lord Provost of Aberdeen, 66; Mr David Leach, potter, 85; Mr Calum Macdonald MP, 40; Sir Neil Macfarlane, company di-

rector and former MP, 60; Mr David Marshall MP, 55; Sir Basil Nield, former MP and High Court judge, 93; Dr Tony O'Reilly, chairman, president and chief executive, H.J. Heinz, 1892; Gary Cooper (Frank James Cooper) film actor, 1901; Maria Eva Duarte Peron (Evarguen), Argentine leader, 1919; Anne Baxter, actress, 1923; Deaths: Caspar David Friedrich, landscape painter, 1840; Henry Peter, First Baron Brougham, statesman and lawyer, 1868; James Nasmyth, engineer and inventor of the steam hammer, 1890; William Hesketh Lever, First Viscount Leverhulme, soap millionaire, 1925; Paul Doumer, French president, assassinated by the Russian Paul Gorgonov 1932; George Lansbury, leader of the Labour party, 1940; Max Miller, comedian, 1963; John Masters, novelist, 1983. On this day: the first Theatre Royal, Drury Lane, opened in London, 1663; HMS Vic-

tor, Nelson's flagship, was launched at Chatham, 1765; Greece was proclaimed an independent kingdom, 1832; the Cunard liner *Lugetania* was sunk by a German submarine, 1915; the qualifying age of women voters was reduced from 30 to 21 (the "Franchise Vote"), 1928; Neville Chamberlain resigned as Prime Minister, 1940; Germany surrendered unconditionally to the Allies, 1945; the Vietnam captured Dien Bien Phu from the French, 1954; Leonid Brezhnev became chief of state of the USSR, 1960; Today is the Feast Day of St Domitian of Neversheim, St John of Beverley, St Letard or Luidhard and Saints Serenus and Sereanus.

Lectures
Leicester University: Professor Alan Nelson, "Alzheimer, Sodomy, Necromancy: from the 17th East of Oxford

to Christopher Marlowe", 4.30pm. University College, London: Professor Mary Fulbrook, "The Presence of the Past: national identity and German history", 5.30pm.

National Portrait Gallery: Frances Homan, "Royal Favourite: George Villiers, 1st Duke of Buckingham", 1.10pm.

National Gallery: Alexander Sturgis, "May-be (I): Giordano A Homage to Velazquez", 1pm.

British Museum: Jack Phillips, "Asum, capital of a lost empire", 1.15pm.

Kaye Webb

A service of Thanksgiving for the life and work of Kaye Webb MBE will take place at St Martin in the Fields, Trafalgar Square, at 3pm on Tuesday 21 May 1996.

ROYAL ENGAGEMENTS

The Queen Mother visits Cynthia Spencer House, Northampton Committee of Cancer Relief Museum Fund, to mark its 20th Anniversary. The Duke of Edinburgh, Honorary Member, attends the 40th anniversary dinner of the Tiger Club at the New and Millitary Club, 94 Piccadilly, London W1. Princess Margaret, President, the Royal Scottish Society for the Prevention of Cruelty to Children, attends the Annual General Meeting at the Sheraton Grand Hotel, Edinburgh. Princess Alexandra opens the William Morris Exhibition at the Victoria and Albert Museum, South Kensington, London SW7. The Duke of Kent, Vice-Chairman, the British Overseas Trade Board, visits GKN Westland Aerospace, East Cowes and visits William Britten-Norman Ltd, Bournemouth, Dorset, Isle of Wight.

Changing of the Guard

The Household Cavalry Mounted Regiment mounts the Queen's Life Guard at Horse Guards, 11am; 1st Battalion Irish Guards mounts the Queen's Guard at Buckingham Palace, 11.30am, hand provided by the Grenadier Guards.

Brewers look beyond ale in order to quench the City's thirst

The first round of the brewery profits season gets under way this week. At one time they were lively affairs with a host of brewers rolling out their results; in the last three months of the year.

Takeover action has, however, decimated the once plentiful ranks of the beverage. But, although their numbers have been reduced, the surviving brewers are, mainly thanks to their thirst for acquisitions, a much more powerful breed than the veritable army which once rushed to slake the City's thirst.

The days when brewers were content to merely produce beer are long gone. The giants have ventured far and wide for profits with the old-fashioned approach of just brewing beer and owning pubs largely the preserve of some big regional, like the Wolverhampton & Dudley Breweries, and the smaller independents, such as

Joseph Holt of Manchester, a brewer which has for long been inclined to miss the beer party by producing figures outside the generally accepted confines of the season.

Whitbread, kicking off the season tomorrow with year's figures, is an example of what was once a beer and pubs group which has stretched into other leisure areas.

It embraces coffee houses,

hotels, off-licences and the David Lloyd sports centres as well as a string of eating establishments from the Beefeater pub/restaurant chain to the US style TG Friday. Beer production now represents only 15 per cent of operating profits and if Bass does manage to acquire Carlsberg-Tetley it will be a distant third in the beer rankings with some 13 per cent of the market.

It insists, however, it intends to stay loyal to its brewing heritage and remain a force in the industry.

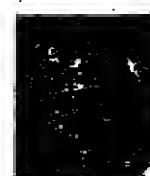
At the height of the brewing £3.9bn struggle for control of the Forté catering and hotel group, Whitbread underlined its ambition to be a rounded leisure operation with a £1.05bn deal to buy Forté's budget hotels and roadside restaurants. Granada's stunning victory ended the Whitbread dream.

Still, the speed with which it made the Forté strike showed

the brewer had the capacity and desire for substantial acquisitions. Not surprisingly, then, rumours have since linked it to an assortment of possible buys, ranging from the Pelican restaurant chain to the motorway service areas that Granada has been ordered to unload.

Demot Carr at Nikko, the Japanese investment house, is looking for profits of £279m, up from £255m. For the current year he is on £314m. He believes Whitbread will produce consistent growth and the shares, selling at 18 times forecast earnings, are worth buying.

But Whitbread, like other brewers owning pubs, could be unsettled next year by the



STOCK MARKET WEEK

DEREK PAIN
Stock market reporter
of the year

unpleasant investigation into the industry - another European Union affair.

The worst scenario for the brewers is the EU probe into block exemptions will result in the destruction of the tied-house system, forcing brewers to sell (or free) their pubs.

Whitbread and the other big brewers have already been forced to unload 11,000 pubs following the Government's controversial Beer Orders. If all brewers, big and small, had to live without the cushion of the tie it would spell disaster for the smaller independents which the Beer Orders were intended to help.

After the initial industry upheaval the big brewers would be in an even more

powerful position than now.

Vaux Group, the regional brewer, also reports this week - interim figures on Thursday. It, too, has spread from its traditional business - into hotels and nursing homes. Swallow Hotels is one of the country's leading chains and likely to have provided much of the growth with group profits expected to emerge at £13.5m against £12.4m. Its nursing homes venture has not had the same success and Vaux has put its 35 homes on the market with a £45m price tag. The group intends to devote the proceeds to its hotels and pubs.

Last week Greenalls, a similar company to Vaux until it gave up brewing to concentrate on hotels and pubs, sold its nursing homes for £68m to Allied Domecq, the drinks group likely to retire from brewing, and Bass, bidding to overtake Scottish & Newcastle to become Britain's top brewer,

check in with figures later this month.

Two oil giants overshadow this week's beer flow. Today British Petroleum produces first-quarter figures. A beneficiary of the strong crude price its net income should surge to, say, £580m against £464m. On Thursday, Shell's quarterly display will be rather more subdued - £1.22bn against £1.28bn.

J Sainsbury, the supermarket giant which has suffered from intense competition, is another in retreat: year's profits tomorrow are, believe NatWest Securities, likely to be £750m, down more than £50m.

The group has been out-maneuvred and out-manoeuvred by Asda and Tesco and has lost market share, particularly among younger customers, leaving it with an ageing customer profile.

It has already prepared the market for disappointment with a January warning it will suffer

a profits fall, its first in its 22 years as a quoted company.

Others in the results frame include Scottish Power which is likely to offer £4.20m against £357.3m. Interims are due from Royal Bank of Scotland (£297m expected against £270m), and Tate & Lyle (£158m compared with £152.8m). BskyB with first-quarter results should make £7.2m (£49m).

Chiroscience, one of the high-flying biotechnology babies, reports today and should have details of its signalled £40m cash call. Its shares were around 130p a year ago; recently they touched 585p on excitement about possible arthritis and cancer compounds. Then a warning of the impending rights issue caused the frenzy which had lifted the shares more than 300p in less than two days. Like other bio babies, it is a long way from making money. It announced a £9.2m loss last year and more red ink, perhaps £11m worth, is expected.

Alcoholic Beverages

Company	Price	Change
Bass	1.25	0.00
Beck's	1.25	0.00
Carlsberg	1.25	0.00
Heineken	1.25	0.00
Kaiser	1.25	0.00
Miller	1.25	0.00
Orkla	1.25	0.00
Pilsener	1.25	0.00
Stout	1.25	0.00
Tetley	1.25	0.00
Whitbread	1.25	0.00

Banks, Merchant

Company	Price	Change
Barclays	1.25	0.00
HSBC	1.25	0.00
Midland	1.25	0.00
NatWest	1.25	0.00
Paragon	1.25	0.00
Prudential	1.25	0.00
Royal Bank	1.25	0.00
Scottish	1.25	0.00
Wolverhampton	1.25	0.00

Banks, Retail

Company	Price	Change
Bank of Scotland	1.25	0.00
Bank of Ireland	1.25	0.00
Bank of London	1.25	0.00
Bank of Montreal	1.25	0.00
Bank of New York	1.25	0.00
Bank of Paris	1.25	0.00
Bank of Spain	1.25	0.00
Bank of Sweden	1.25	0.00
Bank of Switzerland	1.25	0.00

Breweries, Pubs & Rest

Company	Price	Change
Bass	1.25	0.00
Beck's	1.25	0.00
Carlsberg	1.25	0.00
Heineken	1.25	0.00
Kaiser	1.25	0.00
Miller	1.25	0.00
Orkla	1.25	0.00
Pilsener	1.25	0.00
Stout	1.25	0.00
Tetley	1.25	0.00
Whitbread	1.25	0.00

Diversified Industries

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Engineering Vehicles

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Food Manufacturers

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Food Retailers

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Government Securities

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Household Goods

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Investment Companies

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Investment Trusts

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Life Assurance

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Media

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Oil Exploration

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Oil, Integrated

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Other Financial

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Share Price Data

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

The Independent Index

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Interest Rates

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Property

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Telecommunications

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00

Textiles & Apparel

Company	Price	Change
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0.00
Adams	1.25	0

BoE offers to broker Eurotunnel settlement

PETER RODGERS
Business Editor

The Bank of England has told Eurotunnel's lead bankers that it is prepared to help broker a settlement with the rest of the company's 225-strong lending syndicates.

The Bank's offer to step in came as fears grew that a requirement for a unanimous vote by the syndicates could prove one of the biggest obstacles to signing and sealing an agreement to rescue Eurotunnel.

Even on the assumption that the lead banks reach a settlement with the company in negotiations that have started this week over £8.1bn of debt, a single maverick bank among the rest of the 225 could wreck the plan by voting against it.

Rupert Murdoch's News Corporation was nearly brought to its knees when a single bank held out against a financial rescue a few years ago.

The move reverses the Bank of England's present policy of leaving the Eurotunnel crisis to be sorted out by the company and its bankers, with the help of the French central bank and Treasury. Since Eurotunnel appointed mediators under French law the focus of negotiations has shifted to Paris, leaving the Bank in a back seat.

The Bank is not thought to have offered to step into the top level negotiations under way between Eurotunnel and a group of six lenders, which are over-

seen by 20 other senior banks. Its intervention is aimed at helping these lead banks sell any deal to the rest.

There are, however, reports of continuing disagreements among the lead banks, which are believed to have put forward a swap of up to £3.5bn of debt for 49 per cent of the equity as an option in the talks. Another proposal is a revenue bond securing part of the tunnel's cash for the banks.

Under the plan now circulating, the Bank would follow the pattern of its previous involvement in Eurotunnel, which has usually been to bring home the banks' votes once a top level deal has been reached.

The Bank played a crucial role in persuading lenders to agree the £1.6bn rights issue and debt refinancing announced two years ago.

The Bank also brokered a settlement between Eurotunnel and TransManche Link, the consortium of contractors, which was in dispute with the company over cost overruns.

One insider described the Bank's proposed role as "helping to show a minority of banks that preservation of value for the banks as a whole is worth more than individual self-interest".

On past precedents, the lead banks will almost certainly have to amend the terms as negotiations with the rest of the syndicates progress.

One risk is that the syndicates will be blackmailed by in-



Banks beware: Patrick Ponsolle, the French co-chairman of Eurotunnel, has been 'too strident in backing shareholders'

dividual banks or groups of banks holding out for special favours. Another more technical problem is that some banks may have been taken over or have sold their loans to others.

Meanwhile, attempts by some banks to press the Eurotunnel co-chairman, Sir Alastair Morton, to quit ahead of the negotiations appear to have failed. He and Patrick Ponsolle, the French co-chairman, are seen by some banks as pushing too stridently for the rights of share-

holders, who must also approve a rescue.

A group of shareholders said yesterday they were considering legal action against the banks under French bankruptcy law, claiming the banks were acting as "shadow directors" and effectively running the firm.

Other potential claims were for excessive leading and misrepresentation, they said.

Albert Gaultier, chairman of Adacoe, a French shareholders' association said he was

"extremely unhappy" about the proposed 49 per cent debt for equity swap and he said the banks should write off two thirds of their debt, to reflect its price in the secondary market.

Christian Cambier, chairman of another group, Eurotunnel Shareholders' Association, proposed the banks should take up to 50 per cent of the capital at a share price of 30 francs, comparable with what shareholders had paid in the first place. If it were as low as 5 francs - around

the current share price - he would prefer bankruptcy to the banks' debt for equity swap.

Meanwhile, Eurotunnel said Le Shuttle carried 154,522 tourist vehicles in April and 5,372 coaches, a 60 per cent increase on a year earlier. Freight increased 88 per cent, with 42,689 trucks carried. But British and French railway traffic through the tunnel was unchanged from March. Eurotunnel shares fell FF0.05 to FF5.65 in Paris.

Lucas confirms talks of possible link with Varsity

JOHN WILLCOCK

Lucas Industries is in "preliminary talks" with Varsity Corporation of the US which could lead to a link-up between their car brake divisions or full-blown merger of the two companies.

A merger would create a global auto parts maker with a market capitalisation of nearly £3bn and sales of £4.7bn.

The announcement was prompted yesterday by week-end press speculation that Lucas was planning to merge its foundation brakes business with the anti-lock braking systems manufactured by Kelsey-Hayes, part of Varsity.

Lucas emphasised that "discussions are in a very early stage and there can be no assurance that any agreement will be reached".

The talks could mean Lucas has given up on its previous efforts to buy Carlo de Benedetti's 30 per cent stake in Valeo, the giant French car components maker. Lucas refused to comment.

The company will also need soon to find a successor to George Simpson, who steps down as Lucas chief executive next autumn. One name in the frame is John Towers, who resigned as head of Rover last week.

The talks with Varsity are seen by analysts as another sign of global consolidation in the auto parts industry, increasingly dominated by a few main suppliers.

Whether the talks succeed or not, Lucas will still seek a buyer for its aerospace division, worth about £600m, according to analysts yesterday. Mr

Simpson's revival strategy is seen to be still incomplete as far as most City opinion goes.

Components companies are on a merger binge. In February, AlliedSignal of the US agreed to sell its anti-lock and hydraulic-brake business to German conglomerate Robert Bosch, for \$1.5bn.

"The business is consolidating pretty rapidly these days," said Ross Seymour, an analyst with First of Michigan Corporation in the US. He added that the industry was moving toward having a few big suppliers for each system, such as brakes, wheels or interiors. These would have the resources to follow big car makers in their expansion world-wide.

Lucas's shares last traded on Friday, falling 5p to 208p.

Varsity's businesses include VarsityKelsey-Hayes, the world's largest maker of rear-wheel and four-wheel anti-lock braking systems. Its VarsityDayton-Walther unit makes wheel and brake components for trucks and trailers.

Varsity had sales last year of \$2bn. Its other businesses include VarsityPerkins, a maker of diesel engines, and VarsityZecol, which makes copper-to-germanium bonding products used for electronics.

Lucas supplies parts and systems to the auto and aerospace industries and makes disc and drum brakes for auto makers world-wide. Its car disc brakes are the most widely used in the world, it says.

Lucas also makes diesel systems, electrical and electronic systems for the auto industry and replacement parts for the car after-market. The company has annual sales of about \$4.5bn.

US utilities set to bid £1.7bn for Midlands

MICHAEL HARRISON

Two US utilities are set to launch an agreed £1.7bn bid for Midlands Electricity today, rekindling takeover fever in the power industry.

The US bid from General Public Utilities of New Jersey and the Cincinnati-based Cinergy is expected to be pitched at around 430p a share.

There was speculation last night, however, that a third US power group - Houston Industries - could yet mount a counter-offer provoking an all-out bid battle for Midlands.

PowerGen, whose £1.95bn bid for Midlands was blocked two weeks ago by Ian Lang, the President of the Board of Trade, could be pivotal to the outcome.

The generator has a 21 per cent stake in Midlands acquired at the time of its original offer last September. The holding is showing a £57m profit but could net PowerGen as much as £100m if a contested bid battle develops.

Separately PowerGen is expected to decide in the next two days whether to apply for a judicial review of Mr Lang's decision to block its bid.

One option for PowerGen is to sell its Midlands stake to the highest bidder but still opt for a judicial review.

One source said: "We want to understand why Mr Lang reached the decision he did, what the ground rules are for the future and at what stage there will be sufficient competition in generation to allow us to buy a regional electricity company."

Mr Lang ignored the advice of the Monopolies and Mergers Commission by blocking the Midlands deal and National Power's £2.5bn bid for Southern Electric arguing they would

have created unacceptable vertical integration of electricity generation and supply.

GPU, the latest suitor for Midlands, is capitalised at \$3.8bn and owns three electricity suppliers in the eastern US - Jersey Central Power and Light, Metropolitan Edison and Pennsylvania Electric. It has a turnover of just under \$4bn and made after-tax profits of \$352m last year.

Houston Industries bid unsuccessfully for Norweb, the electricity supplier for North-west England, last year, but it is known to have been watching developments since then

quite closely and remains keen to buy a Rec. The company is valued at \$5.5bn and generates and supplies electricity to more than 1.5 million customers on the Gulf Coast of Texas, making it the ninth-largest US electricity utility.

If the latest bid for Midlands succeeds it will be the third British electricity supplier to be acquired by a bidder from the United States.

The Southern Company of Atlanta Georgia bought South Western Electricity for £1.1bn last year and Central and South West, also of Texas, bought Seaboard for £1.6bn.

Black 'ready to increase stakes in Fairfax when law permits'

MATTHEW HORSMAN
Media Editor

Conrad Black is still intent on raising his stake in Fairfax, the Australian media company, despite rampant rumours to the contrary, a senior executive said yesterday.

"We intend to raise our holding when and if we are permitted to do so," Daniel Colson, vice-chairman of the Telegraph group and Mr Black's senior lieutenant, said yesterday. "All these rumours that we are pre-

pared to sell are just not true." Through the Telegraph group, Mr Black holds 25 per cent of Fairfax, the maximum permitted under Australia's media cross-ownership rules. The new government in Canberra has promised to review the restrictions in coming months.

Fairfax has been a takeover target for more than two years. Rupert Murdoch's News Corporation holds a 5 per cent stake, while local media baron Kerry Packer has a 17 per cent holding. All three media com-

panies have said they would be interested in taking control.

Rumours that Mr Black might be prepared to sell were sparked by his recent offer to buy out the minority shareholders of the Telegraph group. As part of the £5.7bn offer, Mr Black's Hollinger International said it would share with Telegraph investors any profits from the sale of the Fairfax stake at a price of more than \$3 a share.

Fairfax is one of the country's largest media groups.

Lloyd's finds an extra £900m for names

PETER RODGERS
Business Editor

A extra £900m has been found for hard pressed Lloyd's names as a result of a re-evaluation of the financing needs of Equitas, the reinsurance vehicle that is central to the market's rescue.

The surprisingly large reduction in the cost of funding Equitas is the biggest boost that David Rowland, Lloyd's chairman, has had so far to the prospect of persuading names to vote in favour of the rescue plan.

Together with other additional contributions from brokers, agents and the sale of buildings, which could total as much as £400m, the original £2.8bn rescue package could be improved by at least £1.2bn.

This will allow Lloyd's to write to names shortly - probably next Friday or Monday - offering them substantial extra



David Rowland: Needs to show that Lloyd's is solvent

incentives to vote in favour of the rescue, provisionally on 15 July.

One likely change is a halving to £50,000 of the proposed £100,000 cap on future liabilities of names for further losses, once they have signed up to the rescue package.

The timetable is thought to be slipping, however, because of the extra work involved in refining the settlement. Without a vote in favour by the end of August, when Lloyd's must prove it is still solvent, there would almost certainly be a collapse of the market.

There will be other benefits offered in next weekend's letter. It will include concessions for names who have paid their losses as demanded, for the hardest hit who have won legal actions and for those who are suing accountancy firms.

The number of names eligible for payments by the market is also likely to be expanded from the present 5,000, though Lloyd's would not confirm that the number would reach 6,000.

The reduction comes after detailed negotiations between market authorities and the Department of Trade and Industry.

Hongkong Telecom aims for stronger Chinese ties

STEPHEN VINES
Hong Kong

The Hong Kong rumour machine is buzzing with speculation that Hongkong Telecom will soon find a new partnership, following the collapse of merger talks between Cable & Wireless, its majority shareholder, and British Telecom.

The Hong Kong company's heavy reliance on China's goodwill, following next year's takeover of the colony, also suggests that HKT will be looking to reinforce its commercial ties with Chinese entities.

This view was reinforced last week when the British-controlled Swire Pacific ceded its regional Dragonair airline to the state-run China National Aviation Corporation and gave over a 25 per cent stake in Cathay Pacific airline to China's leading investment company, the China

International Trust and Investment Corp.

Heavily reliant on Chinese regulatory decisions, Swire was seen as buying a huge amount of political insurance.

HKT is equally reliant on Peking for the continuation of its profitable international network monopoly and has already moved to buy political insurance by furnishing Citic Pacific, the locally listed arm of Citic, with a 12 per cent shareholding.

However, this may not be enough. Citic Pacific may find it difficult to raise the cash for taking an even larger share of HKT's equity but there are other Chinese entities which could be brought into the company.

C&W is already working closely with China's ministry of posts and telecommunications and they have formed a joint company, Great Eastern, to

pursue telecommunications opportunities in China.

The ministry could well take a share in HKT through another corporate vehicle or C&W could pursue its links with the regional authorities in the bordering Guangdong province where there is another joint venture providing mobile services.

Should a direct link with a Chinese entity fail to materialise HKT has the option of closer co-operation with one of the three Hong Kong companies that have established rival domestic networks following partial deregulation of the industry last year.

All three companies are controlled by tycoons with close Chinese ties.

At the moment HKT's strongest alliance is with New World. The two companies intend to co-operate in the provision of mobile services.

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THE INDEPENDENT
section two

STOCK MARKETS									
FT-SE 100									
	Index	Week's change	Change 20p	1995/96 High	1995/96 Low	Yield (%)			
FTSE 100	3751.60	-81.2	-2.1	3867.10	3639.50	3.96			
FTSE 250	4615.30	-53.3	-1.2	4968.60	4015.30	3.31			
FTSE 350	1902.20	-37.0	-1.9	1945.40	1616.60	3.81			
FT Small Cap	2224.05	-2.3	-0.1	2232.39	1954.05	2.91			
FT All Share	1887.22	-33.9	-1.8	1924.17	1781.95	3.74			
New York	5444.80	-123.2	-2.2	5689.74	3892.08	2.17			
Tokyo	21662.38	-572.7	-2.6	22282.05	18734.70	0.72			
Hong Kong	10734.24	-35.3	-0.3	11694.99	10073.39	3.31			
Frankfurt	2458.91	-68.3	-2.7	2638.26	2253.88	1.89			

All London markets closed 6 May

Source: FT Information

INTEREST RATES									
UK interest rates									
	1 Month	3 Month	6 Month	1 Year	2 Year	3 Year	5 Year	10 Year	15 Year
UK	6.00	6.38	6.24	6.28	6.34	6.32			
US	5.50	6.06	6.53	6.70	7.05	7.03			
Japan	0.53	1.06	Closed	Closed	-	-			
Germany	3.22	3.28	6.57	6.98	7.29	-			

3 May

CURRENCIES									
£/\$									
	Index	Week's change	Yr Ago						
\$ (London)	1.5025	-0.75c	1.5943						
\$ (NY)	1.5080	-0.20c	1.5965						
DM (London)	2.2948	-1.35p	2.426						
¥ (London)	157.349	-2.291	156.08						
£ Index	83.7	-0.4	88.5						

3 May

OTHER INDICATORS									
	Index	Week's change	Yr Ago						
Oil Brent \$	19.17	-0.68	19.01						
Gold \$	393.20	+1.20	389.20						
Gold £	261.70	-37.90	243.11						
Basis Rates	-	6.00pc	6.75						

مكتبة الامير

Blair may trip up facing the Tories' fiscal abyss

GAVYN DAVIES

The political revolution prevents the use of higher taxes to finance extra public spending. Yet the public demands growth in public services well in excess of GDP growth

The next government, of whichever political complexion, faces the problem of overcoming the power of two parallel revolutions – one in economic thought, the other in political behaviour – which are tying the hands of democratic politicians throughout the world. Unless their grip can be loosened, a Blair government might prove a brief interlude between lengthy periods of right-wing rule, however determined the Conservatives may be to split over Europe.

Macro-economics changed forever when the academic consensus decided that, in the long run, unemployment and inflation are independent of each other. The beginning of the end came with the 1968 presidential address to the American Economic Association by Milton Friedman. This, perhaps the most important speech on economics in the post-war era, said that governments could only boost output and jobs at the expense of ever-accelerating – not just high – inflation. Since no society could ever accept ever-accelerating, or indeed ever-decelerating, inflation, the remorseless force of logic implied that the only level of output which could be sustained was that uniquely associated with stable inflation. This rate became known as the natural rate, though there was never much natural about it.

This may all sound arcane, but consider the consequences of this single powerful assertion. If it is true, then governments can no longer be held responsible for unemployment, at least through mistakes of macro-economic management. Their sole macro task becomes that of controlling

inflation, which might as well be held at a low rate, since there is nothing to be gained from allowing prices to rise more rapidly.

The so-called trade-off between jobs and inflation, the very meat and drink of political debate in the Keynesian era, shrivelled up and died. And in consequence, economists started arguing that the control of inflation could safely be left to technocrats, independent central bankers who were one step removed from the political process. This, and many of the other mantras of post-Thatcher orthodoxy, basically stand or fall by the Friedman proposition. Monetary or inflation targets, PSBR objectives, medium-term plans – all of these were direct descendants of that speech in 1968.

For a while, though, people continued to argue that there were still choices to be made about the size of the state, and the burden of taxation. John Smith's disastrous shadow budget before the 1992 election, was based on that principle. But this approach ran into a political revolution every bit as potent as the economic revolution that preceded it.

No longer was the electorate willing to support any political party which promised to raise the overall tax burden, though it would not support serious proposals to reduce the size of the state, either. The prospect of a democratic state forever frozen in aspic, with no party ever willing to risk either higher taxes or an assault on the welfare state, loomed.

It still looms. If Tony Blair and Gordon Brown have half the political nous I think

they have. Labour will kill stone dead any talk of higher general taxation well before polling day. But with no more tax and no more borrowing, what are they left with? A reallocation of spending programmes, reflecting different political priorities from the Conservatives? Certainly. New measures to encourage long-termism in industry, and greater incentives to invest, leading to higher long-term GDP growth rates? That, too. Better ways to manage the public services without spending money? Possibly. But quick results in terms of output and jobs? Nobody dares promise that in 1996. The economic revolution prevents the use of demand management to increase GDP growth. The political revolution prevents the use of higher taxes to finance extra public spending. Yet the public demands growth in public services well in excess of GDP growth. A recipe for political discontent on an epic scale.

A bit of wriggling room in this strait-jacket is essential. Clearly what is needed is more economic growth, as Gordon Brown has recognised with his legitimate focus on boosting long-term investment. But this is unlikely to produce measurable results until well into a second Labour term. In the meantime, there is the small problem of ensuring that there is one.

This means boosting economic growth during the first term to ease the fiscal dilemma, and it means doing this without raising inflation, even temporarily. But how can this be achieved?

First by recognising that the Friedman

proposition, while basically right, should not be treated as totally invariant. A research paper published recently by the US economist Laurence Ball (*NBER Working Paper No 5520*) asks a basic question: Does the experience of a variety of developed economies in the 1980s suggest that the huge rise in the natural rate of unemployment seen in that decade was caused by structural supply-side factors, or by the decline in demand which was needed to bring inflation down?

According to the Friedman proposition, the whole of the rise in the natural rate should have been caused by the former, not the latter.

But that is not what Ball finds. Instead, he discovers that demand factors played a key role in the rise in trend unemployment, with rather less explanatory power being left for structural labour market factors.

That alone is slightly encouraging, because it suggests that the same process may just work in reverse, with a prolonged period of gradually rising demand pressures possibly reversing some of the increase in the natural rate. But more interesting is Ball's discovery that one structural factor in the labour market – the duration of social security support for the unemployed in each spell of joblessness – interacts powerfully with demand factors to explain the rise in the natural rate. The implication is that a drop in demand initially creates the unemployment, but that long-lasting state support for each jobless person then translates this into a permanent increase in the natural rate. Without this state

support, the jobless (as in America) would be forced to search for new jobs, even at the cost of accepting lower wages.

This no doubt sounds callous, but the present alternative of consigning the unemployed to the permanent hell of life on the welfare is no better. A programme of gradually rising demand pressures might just lead to permanently lower unemployment, provided that social security is adjusted to ensure that the jobless engage in active searches for new work. The introduction of the job-seeker's allowance in October, will go some way to reducing the duration of unemployment support, which should help. But the next government needs to bite the bullet and go further in this direction, albeit combined with aggressive measures to retrain and increase the geographical mobility of the unemployed. If the Chancellor can force this through, then he has every right to ask for the support of the Bank of England in easing monetary policy, and encouraging the expansion of demand. With higher growth, the budgetary problem suddenly looks a lot less menacing.

More labour market reforms, easier money, less unemployment, and more public money left over for the services people really want. A long shot? Perhaps. There is certainly no evidence the Blair camp is thinking at all in this direction. But without emergency action to reduce the natural rate of unemployment, and then to boost demand through lower interest rates, the next government will soon stumble into the same fiscal abyss that is swallowing John Major.

Law firm's new head grapples with a problem long familiar to accountants. John Eisenhammer reports

Freshfields seeks way out of partnership pitfalls

THE TUESDAY INTERVIEW
ANTHONY SALZ

Anthony Salz pauses prudently before speaking, visibly weighing his response. The experience of many years amidst the cut and thrust of financial takeovers is one thing. Assuming the mantle of senior partner at Freshfields, becoming the public persona of arguably the City's pre-eminent law firm, is something altogether different.

As the one chosen to take Freshfields into the next millennium, Mr Salz is being looked to as the architect of change in a financial services industry already undergoing radical transformation. For City lawyers, he concedes, it means facing up to the biggest change of all, breaking with the century-old partnership culture.

"We obviously feel, for the global business we are aspiring to be, personal liability in the traditional way for partners is something of an anachronism and ought to be changed in time," he says. "Conducting business around the world incurs a different scale and sort of risk."

"To have a partnership trying to do that globally seems to me not what the unlimited personal liability was originally envisaged to do. It is fast becoming outdated and inappropriate given the scale of the business."

Mr Salz is less persuaded by the other line of argument against the partnership – that it is not an effective method of running a modern, complex business. "I am not so fussed about partnerships in terms of management issues; you just have to change the culture to adapt to new conditions. It is the risk factor for individuals that is paramount."

Freshfields has appointed one of its top partners to conduct informal soundings, de-

veloping ideas of how the business might achieve a reasonable level of liability in the increasingly risky environment of international financial deals. So far, Mr Salz admits, there are no obvious answers. "I don't have the solution as to what would be the acceptable way of changing this. There are a variety of ways, doing it contractually with each client, registering in another jurisdiction, or pushing for statutory change."

For inspiration, the big law firms like Freshfields are keeping a close eye on their accounting colleagues in those other City bastions of the part-

nership tradition. Alarmed at the escalation in litigation, leading accountancy firms have been rushing to find ways of limiting exposure to the "nuclear" claim. KPMG led the way last year by incorporating its auditing arm, which faces the greatest risk of litigation.

Shortly afterwards, Price Waterhouse and Ernst & Young announced they were looking at re-registering in Jersey under new laws on limited liability partnerships.

The lawyers are some way behind the accountants on rethinking the partnership structure, mainly because they are still less international and are not yet facing the same dra-

matic lawsuits. But the spectre of the wipe-out claim is beginning increasingly to disturb the sleep of the legal senior partners. Clifford Chance, another leading City law firm, is being heavily sued over its involvement in the Canary Wharf development, incidentally with Freshfields acting for one of the bank claimants.

Mr Salz, who took over from John Grievess on 1 May as senior partner at the 253-year-old law firm, ranks high in the elite group of heavyweight corporate finance lawyers in the City.

Over the past 15 years he has been involved in many of the big corporate deals, including most



Culture change: Anthony Salz finds himself increasingly running up against US ambition

'The big-league transatlantic merger or takeover is a question for later this century or the next'

recently the Glaxo Wellcome and Lloyds TSB bids. Such prominence has not been without its pitfalls, however, and many in the City still remember Mr Salz for his controversial involvement in the Guinness scandal, where he was the company's main legal adviser in its takeover bid for Distillers.

Living in Hampshire with his wife and three children, he persists in being a fanatical Southampton supporter, and is one of Freshfields' large group of ambitiously close-to-scratch golfers. Word has it he toyed with turning professional at one point.

It is to the future, and notably the United States, where Mr

Salz spent a year with a big Wall Street legal firm in the Seventies, that the new senior partner is focusing his attention on how to develop the business. It is hardly surprising, given that the lawyers work hand in hand with the investment banks on mergers and acquisitions, joint ventures and securities offerings, that a firm such as Freshfields should be feeling the same competitive heat as the City merchant banking big battalions.

As business has become international, so those chasing it have been forced to develop global reach. That in itself is a challenge for Freshfields as it opens offices abroad, trying to establish local credibility overlaid by international expertise, mainly coming from London. Ten years ago the business had four offices, now there are 14 world-wide, containing 163 partners and nearly 650 lawyers.

Increasingly, however, Freshfields is running up against the ambitions of the big US law firms, often brought in on deals by the Wall Street investment banking behemoths which dominate international financial dealings. In Europe and Asia, markets in which the top British firms feel they have a traditional lead, Freshfields is increasingly feeling the lack of an American extension to its expertise.

The size of the US capital market means that there is effect cannot be an international equity offering without placing part of it in the States, governed by its complicated securities legislation. That gives the US investment banks and their home-grown law firms a built-in advantage – something City merchant banks have been grappling with for some time. Now it is the lawyers' turn.

Freshfields has been slow on this front. Clifford Chance and

Allen & Overy, City law rivals, have busily built up chunky New York teams. That in itself leaves Freshfields with little option, and Mr Salz is anxious to make up lost ground.

But the oft-mooted transatlantic big-league legal merger or takeover is, according to Mr Salz, one of the big questions for later this century or the early part of the next. "For the time being, at least, my answer is only to do the US build-up organically. There are problems to managing something straddling the Atlantic, and maintaining the dynamic we have today to motivate people would be quite a challenge."

Unlike the merchant banks, City law firms do not suffer from

a huge size handicap when it comes to competing with their US rivals. Largely thanks to the enormity of their home market, Wall Street's investment banking giants such as Merrill Lynch or Goldman Sachs dwarf anything the City has managed to produce.

But on the legal side of the financial markets, the British firms have been quicker to expand internationally. "I worked in New York in the late Seventies and Freshfields then was quite a lot smaller than the Wall Street majors."

"Now we are bigger than most, that is true of all the big City firms, which have grown faster over the last 15 years than the Americans."

IN BRIEF

- International Business Machines (IBM) has reached an agreement with Apple Computer to license Apple's Mac OS operating system in an attempt to expand the use of the system. The agreement allows IBM to sell PowerPC microprocessors, along with a Mac OS sub-license, to any manufacturer. "Licensing the Mac OS to IBM reinforces our business strategy of making the Macintosh platform available to a broader number of customers," said Apple chief administrative officer George Sculley. PowerPC microprocessors are made by IBM's microelectronics division and are currently used in Apple's portable, desktop and server computers as well as IBM portables, workstations and servers. IBM said computer equipment manufacturers Datacube (DTK) Enterprises and Tatum will be among the first companies to sub-license the Mac OS from IBM.
- British Airways is challenging Scandinavian Airlines System (SAS) in its own market by linking with Sun-Air, the Danish regional airline. It is the first franchise agreement BA has signed with a company outside the UK. Sun-Air's fleet will be repainted in the livery of British Airways Express and its crews will wear BA uniforms. BA area manager Lee Shave said yesterday: "Even given the size of BA, we'd find it very difficult to challenge the dominance of SAS in Scandinavia. Their alliance with Lufthansa has put them in an even more dominant position. We hope this franchise arrangement with Sun-Air is a small start to the end of such dominance."
- Railtrack was given an enthusiastic thumbs up by Yamaichi analyst Nigel Hawkins in a report made public yesterday. "Our recommendation for Railtrack is BUY – up to a fully paid price of 400p". This sharply contradicts highly publicised advice NatWest gave to some of its wealthier customers recently, saying that political risks made Railtrack shares unattractive. Hawkins believes the political risks have been "exaggerated".
- Dun & Bradstreet has found that there is still strong pressure from the consumer for prices to be kept as low as possible, despite the increases in consumers' pay packets as a result of the last Budget. According to the business information firm's latest review, the proportion of firms expecting to increase their prices – year-on-year – has decreased from 64 per cent in the first quarter of the year to 63 per cent in the second.
- Sheffield Forgemasters, the privately owned engineering and specialist metals manufacturer, has completed a £70m secondary buy-out. New equity funds were provided by NatWest Ventures, with Schroder Ventures and existing management remaining as substantial shareholders. The company was founded in 1982 by the merger of British Steel and Johnson & Firth Brown, and now has sales of over £140m.
- German unemployment fell in April for the first time in nine months, the Federal Labour Office reported on Monday. The jobless report, one of the first indicators of economic activity for the month, showed seasonally adjusted joblessness fell by 62,000 to 3,934m, a higher drop than expected. The Bundesbank said the adjusted unemployment rate fell to 10.3 per cent from 10.4 per cent. Economists said the sharp improvement, taken together with strong March industrial production figures released last week, suggested the German economy may have stopped slipping after what are thought to have been two quarters of negative growth.
- Cedit Bank, the internationally owned clearing house for the Eurobond market and other securities, made a pre-tax profit in 1995 of \$36.1m and operating income of \$357.5m. Cedit reported yesterday that it maintained a liquidity ratio of 101.7 per cent and BIS ratio (measuring capital backing) of 18.7 per cent.

Hollinger stock rated worthy of a tsar

CITY DIARY
JOHN WILLCOCK

Bonds issued by Hollinger, Conrad Black's holding company which owns the *Daily Telegraph*, have been dubbed "Imperial Russian Railway Bonds" by some of the more cynical staff. The bonds were issued to holders of Hollinger's shares or options in order to mitigate capital gains tax liability on the shares over a five-year term. Apparently certain employees are sceptical that the £1 loan stock, which pays one per cent under the London inter-bank rate, Libor, are the best answer to the CGT problem when their shares are compulsorily acquired by Conrad Black. The bonds are not marketable and some staff feel they aren't generous in interest terms. Hence the comparison with the tsarist railway shares.

Richmond of the Third Division will today announce a series of big money signings, which will almost certainly include Bath's Ben Clarke. The arrival of City entrepreneurs such as Nigel Wray at Saracens signals a new era where money will call the tune – if it didn't already. There could be plenty of stock market action ahead as well, with both Wasps and Bath preparing to float on

AIM. I can't see the likes of Gigg and Cantona losing out, however, in the glamour stakes to Dean Richards.

Conclusive proof, if it were needed, that commercial property agents are a lot sharper than accountants. Just a week after KPMG and the other leading accountancy firms were vilified for offering seminars on how to beat a Labour government's

tax rises, the surveyors Hillier Parker have done the opposite. According to Hillier Parker's research paper, *Property under a Labour Government*, published this week, property will win whatever Tony Blair does in office. Labour will boost demand for office space, increase consumer spending and improve rental growth, according to Estates Gazette magazine. The property mag paints a positively glowing picture of a Labour government investing heavily in infrastructure and urban renewal. So if Tony does pull

it off, it looks like the surveyors will be in clover and the accountants out in the cold. What a shame.

In the great tradition of *Hello!* magazine, the Diary is delighted to report that gorgeous, pouting PR hackette Emma Wels, spokesperson for the Association of Unit Trust and Investment Funds, has just enjoyed a two week-end in Budapest with 17 pals. Husband-to-be, the *Evening Standard's* personal finance guru Robert Cole, is having his own stag night next weekend. His own arrangements have been left to the last minute, apparently – Robert gave £100 to his best man and told him to get on with it. Which won't get them very close to Budapest, so it sounds like lagers all round in the local then.

The Lord Chief Justice, Lord Taylor, is being forced to retire due to cancer, but this did not stop him from playing in a music concert at the Middle Temple last Thursday night. Peter Taylor played the piano for an hour, accompanied the violinist Maureen Smith. The well-attended recital was in aid of the Friends of the Hebrew University of Jerusalem.



Days of Empire: Hollinger bonds have been 'cynically' compared to old Russian railway stock

Summary of Accounts

FOR THE YEAR ENDED 31 DECEMBER 1995		PORT OF LONDON ADIN 1995	
PROFIT AND LOSS ACCOUNT	1995 £m	1994 £m	
Turnover	27.3	28.2	
Operating expenditure	26.4	27.8	
Operating profit	0.9	0.4	
Net interest	0.7	0.9	
Dividends receivable	9.0	-	
Repayment of Government grants	(8.9)	-	
Profit on ordinary activities before taxation	1.7	1.3	
Taxation	0.3	0.1	
Profit for the year	2.0	1.4	
Transfer to stock redemption fund	(0.3)	(0.5)	
Transfer to profit and loss account reserve	1.7	0.9	
BALANCE SHEET	1995 £m	1994 £m	
Fixed assets:			
Tangible assets	24.7	21.0	
Investments:			
Port of London	14.4	14.4	
Properties Ltd Group	9.4	9.2	
Stock redemption fund	-	-	
Investment in associated company	-	0.3	
	48.5	44.9	
Net current assets	11.2	21.0	
	59.7	65.9	
CREDITORS:			
Amounts falling due after more than one year	10.2	10.2	
Loans	3.0	11.1	
Other amounts	-	-	
Reserves	14.4	14.4	
Stock redemption fund	9.4	9.2	
Profit and loss	22.7	21.0	
	59.7	65.9	
CASH FLOW STATEMENT			
(Decrease) in cash and cash equivalents	(11.4)	-	
Sir BRIAN SHAW Chairman	D. J. JEFFERY Chief Executive	G. P. ELLIS Chief Financial Officer	
Published by the Port of London Authority under Section 8(3) of the Port of London Act 1968			
The above is an extract from the published Accounts of the Port of London Authority for the year ended 31 December 1995 which have been delivered to The Secretary of State for Transport			
G. E. ELLIS, Secretary			
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Tuesday in the DEPENDENT section two

Snookered by his ambition



A high-contrast, black and white photograph showing a man in a dark, button-down shirt standing next to a vehicle. The man is looking towards the camera. The vehicle's front end is visible, featuring a license plate that reads '270 158' with 'OKLAHOMA' above it. Above the license plate is a smaller tag that reads 'OKLAHOMA IS' and 'CB-732'. The image is grainy and has a high level of contrast.

Photograph: Keith Dobney

a lot of late nights and an empty pocket, he's still convinced he's in the frame. "If I could find a sponsor so I could play full-time, I still think I could make it." But to Hefford, Embassy will remain the name of a cigarette, rather than the apex of his career, unless he gets some extraordinary breaks — and those seem unlikely when you're 29 years old, broke, and ranked 454 in the world.

The NCA bowlers, coached by Chris Old, stuck to their task well, although they will be grateful they do not regularly come up against batting of this class. The NCA's batting went really better after Javagal Srinath named Paras Mhambrey had each picked up an early wicket.

Simon Luckhurst, the son of Brian of Kent and England, and his captain Malcolm Roberts played some good strokes in a steady way, and the wicket was better than the three in four. Roberts hit in one over from Sourav Ganguly. Azharuddin gave all four of his seamers a gentle work-out before turning to his spinners: the left-armers Sunil Joshi, the leg-spinner Narendra Hirwani and the off-spinner Rahul Dravid. The spinners all looked in need of a long bowl.

[illegible]

2. **Boutwood** 5-1 1st; 3. **Head of Shores** 7-1; 4. **Keathley** 13-2, 19-19, 5-1 1st; 5. **Mykynike** 15-10, 15-10, 1st; 6. **Paradise** 15-10, 15-10, 1st; 7. **Shoreline** 15-10, 15-10, 1st; 8. **Forecast** 15-10, 15-10, 1st; 9. **Trac** 15-10, 15-10, 1st; 10. **Summit** 15-10, 15-10, 1st; 11. **TINDRA** (H) 15-10, 15-10, 1st; 12. **Alumina** 15-10, 15-10, 1st; 13. **Ung** 5-1 2nd; 14. **Ung** 5-1 2nd; 15. **Ung** 5-1 2nd; 16. **Ung** 5-1 2nd; 17. **Ung** 5-1 2nd; 18. **Ung** 5-1 2nd; 19. **Ung** 5-1 2nd; 20. **Ung** 5-1 2nd; 21. **Ung** 5-1 2nd; 22. **Ung** 5-1 2nd; 23. **Ung** 5-1 2nd; 24. **Ung** 5-1 2nd; 25. **Ung** 5-1 2nd; 26. **Ung** 5-1 2nd; 27. **Ung** 5-1 2nd; 28. **Ung** 5-1 2nd; 29. **Ung** 5-1 2nd; 30. **Ung** 5-1 2nd; 31. **Ung** 5-1 2nd; 32. **Ung** 5-1 2nd; 33. **Ung** 5-1 2nd; 34. **Ung** 5-1 2nd; 35. **Ung** 5-1 2nd; 36. **Ung** 5-1 2nd; 37. **Ung** 5-1 2nd; 38. **Ung** 5-1 2nd; 39. **Ung** 5-1 2nd; 40. **Ung** 5-1 2nd; 41. **Ung** 5-1 2nd; 42. **Ung** 5-1 2nd; 43. **Ung** 5-1 2nd; 44. **Ung** 5-1 2nd; 45. **Ung** 5-1 2nd; 46. **Ung** 5-1 2nd; 47. **Ung** 5-1 2nd; 48. **Ung** 5-1 2nd; 49. **Ung** 5-1 2nd; 50. **Ung** 5-1 2nd; 51. **Ung** 5-1 2nd; 52. **Ung** 5-1 2nd; 53. **Ung** 5-1 2nd; 54. **Ung** 5-1 2nd; 55. **Ung** 5-1 2nd; 56. **Ung** 5-1 2nd; 57. **Ung** 5-1 2nd; 58. **Ung** 5-1 2nd; 59. **Ung** 5-1 2nd; 60. **Ung** 5-1 2nd; 61. **Ung** 5-1 2nd; 62. **Ung** 5-1 2nd; 63. **Ung** 5-1 2nd; 64. **Ung** 5-1 2nd; 65. **Ung** 5-1 2nd; 66. **Ung** 5-1 2nd; 67. **Ung** 5-1 2nd; 68. **Ung** 5-1 2nd; 69. **Ung** 5-1 2nd; 70. **Ung** 5-1 2nd; 71. **Ung** 5-1 2nd; 72. **Ung** 5-1 2nd; 73. **Ung** 5-1 2nd; 74. **Ung** 5-1 2nd; 75. **Ung** 5-1 2nd; 76. **Ung** 5-1 2nd; 77. **Ung** 5-1 2nd; 78. **Ung** 5-1 2nd; 79. **Ung** 5-1 2nd; 80. **Ung** 5-1 2nd; 81. **Ung** 5-1 2nd; 82. **Ung** 5-1 2nd; 83. **Ung** 5-1 2nd; 84. **Ung** 5-1 2nd; 85. **Ung** 5-1 2nd; 86. **Ung** 5-1 2nd; 87. **Ung** 5-1 2nd; 88. **Ung** 5-1 2nd; 89. **Ung** 5-1 2nd; 90. **Ung** 5-1 2nd; 91. **Ung** 5-1 2nd; 92. **Ung** 5-1 2nd; 93. **Ung** 5-1 2nd; 94. **Ung** 5-1 2nd; 95. **Ung** 5-1 2nd; 96. **Ung** 5-1 2nd; 97. **Ung** 5-1 2nd; 98. **Ung** 5-1 2nd; 99. **Ung** 5-1 2nd; 100. **Ung** 5-1 2nd; 101. **Ung** 5-1 2nd; 102. **Ung** 5-1 2nd; 103. **Ung** 5-1 2nd; 104. **Ung** 5-1 2nd; 105. **Ung** 5-1 2nd; 106. **Ung** 5-1 2nd; 107. **Ung** 5-1 2nd; 108. **Ung** 5-1 2nd; 109. **Ung** 5-1 2nd; 110. **Ung** 5-1 2nd; 111. **Ung** 5-1 2nd; 112. **Ung** 5-1 2nd; 113. **Ung** 5-1 2nd; 114. **Ung** 5-1 2nd; 115. **Ung** 5-1 2nd; 116. **Ung** 5-1 2nd; 117. **Ung** 5-1 2nd; 118. **Ung** 5-1 2nd; 119. **Ung** 5-1 2nd; 120. **Ung** 5-1 2nd; 121. **Ung** 5-1 2nd; 122. **Ung** 5-1 2nd; 123. **Ung** 5-1 2nd; 124. **Ung** 5-1 2nd; 125. **Ung** 5-1 2nd; 126. **Ung** 5-1 2nd; 127. **Ung** 5-1 2nd; 128. **Ung** 5-1 2nd; 129. **Ung** 5-1 2nd; 130. **Ung** 5-1 2nd; 131. **Ung** 5-1 2nd; 132. **Ung** 5-1 2nd; 133. **Ung** 5-1 2nd; 134. **Ung** 5-1 2nd; 135. **Ung** 5-1 2nd; 136. **Ung** 5-1 2nd; 137. **Ung** 5-1 2nd; 138. **Ung** 5-1 2nd; 139. **Ung** 5-1 2nd; 140. **Ung** 5-1 2nd; 141. **Ung** 5-1 2nd; 142. **Ung** 5-1 2nd; 143. **Ung** 5-1 2nd; 144. **Ung** 5-1 2nd; 145. **Ung** 5-1 2nd; 146. **Ung** 5-1 2nd; 147. **Ung** 5-1 2nd; 148. **Ung** 5-1 2nd; 149. **Ung** 5-1 2nd; 150. **Ung** 5-1 2nd; 151. **Ung** 5-1 2nd; 152. **Ung** 5-1 2nd; 153. **Ung** 5-1 2nd; 154. **Ung** 5-1 2nd; 155. **Ung** 5-1 2nd; 156. **Ung** 5-1 2nd; 157. **Ung** 5-1 2nd; 158. **Ung** 5-1 2nd; 159. **Ung** 5-1 2nd; 160. **Ung** 5-1 2nd; 161. **Ung** 5-1 2nd; 162. **Ung** 5-1 2nd; 163. **Ung** 5-1 2nd; 164. **Ung** 5-1 2nd; 165. **Ung** 5-1 2nd; 166. **Ung** 5-1 2nd; 167. **Ung** 5-1 2nd; 168. **Ung** 5-1 2nd; 169. **Ung** 5-1 2nd; 170. **Ung** 5-1 2nd; 171. **Ung** 5-1 2nd; 172. **Ung** 5-1 2nd; 173. **Ung** 5-1 2nd; 174. **Ung** 5-1 2nd; 175. **Ung** 5-1 2nd; 176. **Ung** 5-1 2nd; 177. **Ung** 5-1 2nd; 178. **Ung** 5-1 2nd; 179. **Ung** 5-1 2nd; 180. **Ung** 5-1 2nd; 181. **Ung** 5-1 2nd; 182. **Ung** 5-1 2nd; 183. **Ung** 5-1 2nd; 184. **Ung** 5-1 2nd; 185. **Ung** 5-1 2nd; 186. **Ung** 5-1 2nd; 187. **Ung** 5-1 2nd; 188. **Ung** 5-1 2nd; 189. **Ung** 5-1 2nd; 190. **Ung** 5-1 2nd; 191. **Ung** 5-1 2nd; 192. **Ung** 5-1 2nd; 193. **Ung** 5-1 2nd; 194. **Ung** 5-1 2nd; 195. **Ung** 5-1 2nd; 196. **Ung** 5-1 2nd; 197. <

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2. **Boutwood** 5-1 1st; 3. **Head of Shores** 7-1; 4. **Keathley** 13-2, 19-19, 5-1 1st; 5. **Mykynike** 15-10, 15-10, 1st; 6. **Paradise** 15-10, 15-10, 1st; 7. **Shoreline** 15-10, 15-10, 1st; 8. **Forecast** 15-10, 15-10, 1st; 9. **Trac** 15-10, 15-10, 1st; 10. **Summit** 15-10, 15-10, 1st; 11. **TINDRA** (H) 15-10, 15-10, 1st; 12. **Alumina** 15-10, 15-10, 1st; 13. **Ung** 5-1 2nd; 14. **Ung** 5-1 2nd; 15. **Ung** 5-1 2nd; 16. **Ung** 5-1 2nd; 17. **Ung** 5-1 2nd; 18. **Ung** 5-1 2nd; 19. **Ung** 5-1 2nd; 20. **Ung** 5-1 2nd; 21. **Ung** 5-1 2nd; 22. **Ung** 5-1 2nd; 23. **Ung** 5-1 2nd; 24. **Ung** 5-1 2nd; 25. **Ung** 5-1 2nd; 26. **Ung** 5-1 2nd; 27. **Ung** 5-1 2nd; 28. **Ung** 5-1 2nd; 29. **Ung** 5-1 2nd; 30. **Ung** 5-1 2nd; 31. **Ung** 5-1 2nd; 32. **Ung** 5-1 2nd; 33. **Ung** 5-1 2nd; 34. **Ung** 5-1 2nd; 35. **Ung** 5-1 2nd; 36. **Ung** 5-1 2nd; 37. **Ung** 5-1 2nd; 38. **Ung** 5-1 2nd; 39. **Ung** 5-1 2nd; 40. **Ung** 5-1 2nd; 41. **Ung** 5-1 2nd; 42. **Ung** 5-1 2nd; 43. **Ung** 5-1 2nd; 44. **Ung** 5-1 2nd; 45. **Ung** 5-1 2nd; 46. **Ung** 5-1 2nd; 47. **Ung** 5-1 2nd; 48. **Ung** 5-1 2nd; 49. **Ung** 5-1 2nd; 50. **Ung** 5-1 2nd; 51. **Ung** 5-1 2nd; 52. **Ung** 5-1 2nd; 53. **Ung** 5-1 2nd; 54. **Ung** 5-1 2nd; 55. **Ung** 5-1 2nd; 56. **Ung** 5-1 2nd; 57. **Ung** 5-1 2nd; 58. **Ung** 5-1 2nd; 59. **Ung** 5-1 2nd; 60. **Ung** 5-1 2nd; 61. **Ung** 5-1 2nd; 62. **Ung** 5-1 2nd; 63. **Ung** 5-1 2nd; 64. **Ung** 5-1 2nd; 65. **Ung** 5-1 2nd; 66. **Ung** 5-1 2nd; 67. **Ung** 5-1 2nd; 68. **Ung** 5-1 2nd; 69. **Ung** 5-1 2nd; 70. **Ung** 5-1 2nd; 71. **Ung** 5-1 2nd; 72. **Ung** 5-1 2nd; 73. **Ung** 5-1 2nd; 74. **Ung** 5-1 2nd; 75. **Ung** 5-1 2nd; 76. **Ung** 5-1 2nd; 77. **Ung** 5-1 2nd; 78. **Ung** 5-1 2nd; 79. **Ung** 5-1 2nd; 80. **Ung** 5-1 2nd; 81. **Ung** 5-1 2nd; 82. **Ung** 5-1 2nd; 83. **Ung** 5-1 2nd; 84. **Ung** 5-1 2nd; 85. **Ung** 5-1 2nd; 86. **Ung** 5-1 2nd; 87. **Ung** 5-1 2nd; 88. **Ung** 5-1 2nd; 89. **Ung** 5-1 2nd; 90. **Ung** 5-1 2nd; 91. **Ung** 5-1 2nd; 92. **Ung** 5-1 2nd; 93. **Ung** 5-1 2nd; 94. **Ung** 5-1 2nd; 95. **Ung** 5-1 2nd; 96. **Ung** 5-1 2nd; 97. **Ung** 5-1 2nd; 98. **Ung** 5-1 2nd; 99. **Ung** 5-1 2nd; 100. **Ung** 5-1 2nd; 101. **Ung** 5-1 2nd; 102. **Ung** 5-1 2nd; 103. **Ung** 5-1 2nd; 104. **Ung** 5-1 2nd; 105. **Ung** 5-1 2nd; 106. **Ung** 5-1 2nd; 107. **Ung** 5-1 2nd; 108. **Ung** 5-1 2nd; 109. **Ung** 5-1 2nd; 110. **Ung** 5-1 2nd; 111. **Ung** 5-1 2nd; 112. **Ung** 5-1 2nd; 113. **Ung** 5-1 2nd; 114. **Ung** 5-1 2nd; 115. **Ung** 5-1 2nd; 116. **Ung** 5-1 2nd; 117. **Ung** 5-1 2nd; 118. **Ung** 5-1 2nd; 119. **Ung** 5-1 2nd; 120. **Ung** 5-1 2nd; 121. **Ung** 5-1 2nd; 122. **Ung** 5-1 2nd; 123. **Ung** 5-1 2nd; 124. **Ung** 5-1 2nd; 125. **Ung** 5-1 2nd; 126. **Ung** 5-1 2nd; 127. **Ung** 5-1 2nd; 128. **Ung** 5-1 2nd; 129. **Ung** 5-1 2nd; 130. **Ung** 5-1 2nd; 131. **Ung** 5-1 2nd; 132. **Ung** 5-1 2nd; 133. **Ung** 5-1 2nd; 134. **Ung** 5-1 2nd; 135. **Ung** 5-1 2nd; 136. **Ung** 5-1 2nd; 137. **Ung** 5-1 2nd; 138. **Ung** 5-1 2nd; 139. **Ung** 5-1 2nd; 140. **Ung** 5-1 2nd; 141. **Ung** 5-1 2nd; 142. **Ung** 5-1 2nd; 143. **Ung** 5-1 2nd; 144. **Ung** 5-1 2nd; 145. **Ung** 5-1 2nd; 146. **Ung** 5-1 2nd; 147. **Ung** 5-1 2nd; 148. **Ung** 5-1 2nd; 149. **Ung** 5-1 2nd; 150. **Ung** 5-1 2nd; 151. **Ung** 5-1 2nd; 152. **Ung** 5-1 2nd; 153. **Ung** 5-1 2nd; 154. **Ung** 5-1 2nd; 155. **Ung** 5-1 2nd; 156. **Ung** 5-1 2nd; 157. **Ung** 5-1 2nd; 158. **Ung** 5-1 2nd; 159. **Ung** 5-1 2nd; 160. **Ung** 5-1 2nd; 161. **Ung** 5-1 2nd; 162. **Ung** 5-1 2nd; 163. **Ung** 5-1 2nd; 164. **Ung** 5-1 2nd; 165. **Ung** 5-1 2nd; 166. **Ung** 5-1 2nd; 167. **Ung** 5-1 2nd; 168. **Ung** 5-1 2nd; 169. **Ung** 5-1 2nd; 170. **Ung** 5-1 2nd; 171. **Ung** 5-1 2nd; 172. **Ung** 5-1 2nd; 173. **Ung** 5-1 2nd; 174. **Ung** 5-1 2nd; 175. **Ung** 5-1 2nd; 176. **Ung** 5-1 2nd; 177. **Ung** 5-1 2nd; 178. **Ung** 5-1 2nd; 179. **Ung** 5-1 2nd; 180. **Ung** 5-1 2nd; 181. **Ung** 5-1 2nd; 182. **Ung** 5-1 2nd; 183. **Ung** 5-1 2nd; 184. **Ung** 5-1 2nd; 185. **Ung** 5-1 2nd; 186. **Ung** 5-1 2nd; 187. **Ung** 5-1 2nd; 188. **Ung** 5-1 2nd; 189. **Ung** 5-1 2nd; 190. **Ung** 5-1 2nd; 191. **Ung** 5-1 2nd; 192. **Ung** 5-1 2nd; 193. **Ung** 5-1 2nd; 194. **Ung** 5-1 2nd; 195. **Ung** 5-1 2nd; 196. **Ung** 5-1 2nd; 197. <

Rumie Symbol 16-1; 3, Leonard Express, 20-1; 4, Zaiden 8-1, 22, ram. 4-1 by Ladybowe 1 1/2, 1 1/2. IG Bravery, Total: £13.40; £4.9; £4.10, £8.30, £1.80, DF: £157.40, CSI: £210.05, Treas: £3,519.21. Tho: not wool of £358.73 carried forward to Ches; 4.10 today). Cicerone (15-21 was withdrawn under orders: Rule 4 applies to all but deduct 10p to the pound.
Placepot: £137.80, Quadpot: £14.50.
Place 6: £33.55, Place 5: £26.06.

CHESTER
2.4th SHANTOU from a stable whose runners have improved for no outing this season, did well, though green, when second at Newmarket, with Chabral sixth.
0000
3.1th AIR QUEST looked very impressive on his debut and has the scope to progress. **St Mawes**, who is reported to have improved since a second to Storm Trooper last time, is the danger as Sabana's suspect steering will be tested by this turning track.
0000
3.4th SCHOOL ROY has Karamela and Le Sport to fear as those higher in the handicap look weighted out of the reckoning.
0000
4.1th TATIANA made great strides on the Newmarket winter and may have been laid out for this.

den, his main employer, said: "The whip instructions were drawn up with the best intentions but are flawed. When it comes to a big race a jockey has to go for it. Frankie is an artist. He flicks his whip, he doesn't beat horses."

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4.40 **PRINCE OF WALES HANDICAP (CLASS 5) £10,000** added
5YO SP Penalty Value £7,304

1	02:06-5	EASTERN PROSPERITY (Dn) (R) (Abercrombie) B'd 111 Nieldman 9-7	Pen Elected	5	Winnipeg 9
2	02:30-0	THE GARDEN (Dn) (R) (Gerrard) M Egan 8-1	Pen 10	6	Winnipeg 9
3	02:30-0	THE GARDEN (Dn) (R) (Gerrard) M Egan 8-1	Pen 10	7	Alford 6
4	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	8	7-eden 7
5	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	9	7-eden 7
6	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	10	7-eden 7
7	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	11	7-eden 7
8	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	12	7-eden 7
9	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	13	7-eden 7
10	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	14	7-eden 7
11	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	15	7-eden 7
12	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	16	7-eden 7
13	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	17	7-eden 7
14	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	18	7-eden 7
15	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	19	7-eden 7
16	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	20	7-eden 7
17	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	21	7-eden 7
18	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	22	7-eden 7
19	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	23	7-eden 7
20	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	24	7-eden 7
21	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	25	7-eden 7
22	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	26	7-eden 7
23	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	27	7-eden 7
24	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	28	7-eden 7
25	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	29	7-eden 7
26	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	30	7-eden 7
27	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	31	7-eden 7
28	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	32	7-eden 7
29	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	33	7-eden 7
30	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	34	7-eden 7
31	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	35	7-eden 7
32	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	36	7-eden 7
33	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	37	7-eden 7
34	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	38	7-eden 7
35	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	39	7-eden 7
36	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	40	7-eden 7
37	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	41	7-eden 7
38	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	42	7-eden 7
39	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	43	7-eden 7
40	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	44	7-eden 7
41	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	45	7-eden 7
42	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	46	7-eden 7
43	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	47	7-eden 7
44	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	48	7-eden 7
45	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	49	7-eden 7
46	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	50	7-eden 7
47	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	51	7-eden 7
48	04:03-0	POLLY GOSSIP (Dn) (R) (Dance) S M Eshamford 8-7	Pen 10	52	7-eden 7
49	04:03				

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talked to reach a place in his four subsequent outings, then but they were all Group Three events — the Norfolk Stakes at Royal Ascot, July Stakes at Newmarket and the Molecomb at Goodwood. The US-bred was in front at the two-turning pole in the Newmarket race and had to be chency rope for this after finishing seventh of 15 to Soime on his return at Newmarket. He lost money when he faded after holding every chance two out. Eastern Profiles, who scored on three tries and finished second three times last month, ran third at Epsley last time, and should go well with Pat Eddery booked, while last month's narrow Warwick winner Secret Voucher, Mr. and Taidoo, who won twice and made the frame on eight occasions last term, should also be prominent.

Selection: PRIDE OF BROXTON

1	3	6	2-6 CLASSIC LEADER (21) S Wacker 3 8 11	A Mickey 9
2	4	7	800 LONE STAR (10) R Wacker 3 8 11	Famball 4
3	5	8	D-BR SPEARHEAD (22) P Wacker 3 8 11	A Whigfins 1
4	6	9	INDIANBOW (14) J S 5 6 7 8 9 10	A Whigfins 1
5	7	10	NEPHREWIDE (30) M Mosher 3 8 11	A Fatchee 5
6	8	11	PEP TACK (18) H C Hock 3 8 11	A McLean 8
7	9	12	VICTORY BOWS (10) J S 5 6 7 8 9 10	A Whigfins 1
8	10	13	ROBERT (31) J S 5 6 7 8 9 10	A Whigfins 1
9	11	14	N INDIAN (14) J S 5 6 7 8 9 10	A Barkley 6
10	12	15	SINAPORPE STEING (18) C Hock 3 8 6	M Wykes 10
11	13	16		
12	14	17		
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DRAWING RESULTS			
Draw date: 4/5/96. The winning numbers: 6, 28, 26, 33, 24, 47. Bonus number: 49. Total Sales: \$79,882,225. Prize Fund: \$45,164,250 (48% of ticket sales) \$9,217,249 from last week's rollover jackpot.			
CATEGORY	NO OF WINNERS	AMOUNT FOR EACH WINNER	TOTAL EACH TIER
Match 6 (jackpot)	2	\$10,903,498	\$21,806,996
Match 5 plus Bonus ball	15	\$38,874,570	\$582,118
Match 5	909	\$2,663	\$2,421,681
Match 4	58,291	\$91	\$5,304,481
Match 3	1,173,740	\$10	\$11,737,100
TOTALS	1,232,927		\$45,164,254

Total Sales including taxes: \$99,782,226.
 Contributions to Good Causes: \$22,900,000.

Prizes (prizes rounded down to nearest \$1 net rollover amounts): \$22,036.
 © Conquest Group plc. Players must be 18 or over.

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SPORT

RUGBY UNION AT THE CROSSROADS

Steve Bale bids farewell to the amateur game



Hendry: Burning ambition

Hendry watches Ebdon tempt fate

Snooker

GUY HODGSON
reports from Sheffield

Ask Stephen Hendry what makes the long, tedious hours on the practice table worthwhile and he will say Steve Davis. He wants to surpass the previous great in snooker, he wants that more than prize money.

That is why this Embassy World Championship has an extra significance for the Scot. Win it - and at 14-10 up against Peter Ebdon after the third of four sessions he was within four frames of doing so - and he would equal Davis's record of six titles. Ambition was burning

brightly in the world champion yesterday.

Which was not how you could describe his snooker. This was Hendry with his concentration at its most patchy, and in a session where he could have steamrollered his opponent he allowed him to take an equal share of the eight frames.

Ebdon says he likes it best when the pressure is strongest and Hendry, at The Crucible, would break the iron in any soul. What he is good at, however, is living off scraps.

"He's a tactical player," Ebdon's semi-final opponent, Ronnie O'Sullivan, said. "He's got a good bead on him. He knows you don't necessarily

have to play brilliant snooker to win, it's the result that matters."

When he did get a chance, Ebdon could not score heavily enough, largely because the adrenalin flow through his veins led him to hit the cue ball a fraction too hard. Frequently he was out of position and he had to endure rather than prosper. It was an exercise in making things difficult for Hendry.

The opening frames yesterday were punctuated with errors, Hendry taking the first with a 61, Ebdon the second with 53. There are only so many chances the champion will miss, however, and when Ebdon made mis-

takes in the next two frames, Hendry swooped, opening a 13-7 lead at the session interval. At this point Ebdon could have been buried; instead he clawed his way back into the match. It was slow, but it was effective.

While it would be difficult to argue with the introduction of Hendry as "the greatest player this game has ever produced", there must have been a few raised eyebrows as the master of ceremonies described Ebdon as "lamboyant and stylish". Exciting he may be when he finally hits the ball, but there are long spells of thought in between and at 14-10 down yesterday, he had occupied the table for 58 per cent of the time.

In these championships, he has driven spectators to distraction by his repeated calls to have the white ball wiped, while he seems incapable of potting three balls without stopping to sip a glass of water. His mannerisms irritate players and may have proved costly in this match.

In retrospect, Ebdon probably felt he missed his chance on the first day of the final. Ahead 3-1 and 4-2, he let things slip in the evening when his extravagant display of excitement after he won the 13th frame - a raucous scream of "Come on them!"

had the effect of seeing up Hendry, rather than himself. Ebdon says his outbursts are a release of tension and not intended to stir opponents, but he perhaps should have told Hendry because a malevolence brewed in the champion to an overwhelming degree.

He frowns on such displays at the best of times, but in a world final? The effect of the shouting figure brandishing a cue proved to be just the thing to rid Hendry of his sluggishness and he rattled off three frames in 30 minutes. More pertinently, he did not allow Ebdon a single point.

Which all added fuel to the fire of conjecture that says the two finalists are not the best of

friends. This stems from a tournament in Dubai four years ago, when Ebdon said that Hendry, his first-round opponent, would need golf clubs to kill time while waiting for an early flight home.

However much Hendry has played it down since, a rivalry has existed and at one point it appeared to affect his performance on the table. At 3-3, Ebdon was one of the few people to have a head-to-head count that was not hopelessly to his disadvantage, but in their last four meetings, Hendry has prevailed, including the final of the UK Championship last December.

Yesterday, there was little to suggest Ebdon would alter the figures in his favour.

THE OTHER SIDE OF SNOOKER, PAGE 15

Manchester disunited on day after

Dave Hadfield tests the temperature in a city that has just experienced the extremes of footballing fortunes

In the Trafford Hotel, 400 yards from the money-making machine that is Manchester United's home ground, they were making great play of the fact that Wembley can be made to rhyme with Endsleigh or even, at a pinch, Grimby.

It was perhaps as well that United's preparations for the FA Cup final (they trained yesterday) stopped them parading the Premiership trophy through the streets of Manchester. There is such a thing as rubbing salt into wounds and in a city always divided by football, but never polarised to this extent, the wounds are deep.

Coming away from Maine Road on Sunday, after the draw with Liverpool that consigned Manchester City to the First Division a father accompanied his son.

"How's he taken it?" a City fan with a face which told of years of suffering, asked the dad. "He's very young," came the reply. "He doesn't really understand what's happened."

"He will," says Long-Suffering. "He will."

The contrast in fortunes was there for anyone to see yesterday, despite the lack of any set-piece event upon which to focus the joy and envy.

At Old Trafford, where there had been a handful of arrests the night before as thousands of

supporters obeyed the herding instinct, it was business as usual. Which meant booming.

At the United Megastore, one of the army of blazered functionaries who keep the wheels of Man Utd Inc turning, surveyed the crowds. "I thought I'd come and see how business was going, in between taking my tour parties round. It's phenomenal. Not as busy as match days, of course, but phenomenal."

For £1.99 punters with accents flown in from Dublin and Scandinavia could buy a poster of Eric Cantona hoisting the Premiership Trophy, rapidly printed from shots taken at the Riverside Stadium the previous night. Equally quickly produced, but less official, were the Triple Crown T-Shirts on sale from stalls on Sir Matt Busby Way.

Cars cruised past the ground, Cantona tricolours flying from their windows. Even the statue of Sir Matt which now surveys the scene had a flag wrapped around its right shin like a plaster-cast.

But didn't the fans feel a little short-changed not to be able to see their heroes and the prize they after it was won? "Nah," said one. "We've got to get the Cup now and parade the two together."

Or, as they sang in the Trafford Hotel: "We're all going to Wembley. City's going to Grimby."



Paying homage: Manchester United supporters went to their shrine, Old Trafford, yesterday, to bask in the glory of another Premiership title

Photograph: David Ashdown

Three and a half miles away at Maine Road, it seemed that everyone had gone to Grimby already.

The Manchester City Social Club was locked and bolted. Peering in through the door, I could see a woman having a cup of tea and a dog.

She made a signal, as if to say, "That's all there is. There isn't any more." I think she just meant that the bar was closed, but it may have had a wider application.

The shutters on the souvenir shop - the size of two terraced houses and only recently prised back from private ownership -

were firmly down. Business here was most definitely not booming. On the forecourt of the ground there were just three small girls on bikes and a cameraman from Granada TV looking for something to film.

The best he could manage was me reading the *Manchester Evening News*, which bore the headline "Triumph and Tears".

Then, as a final indignity, a

car drove across the cracked tarmac, with the occupants shouting "Red Army! Red Army!"

City have been here before. They were relegated in 1983, the year that their neighbours beat Brighton in the Cup final, but United were not the dominating presence that they are now. The two clubs were, if not quite on a par, demonstrably in the same business. (Only the most senior

City supporters will be able to recall the time when the roles were reversed. At the end of the 1937 season City were champions and United relegated.)

City now make a virtue of their parochial appeal and have many sympathisers in Greater Manchester's satellite towns. Alex Ferguson's team may have a worldwide following, but for many who live a bus ride from

Old Trafford United is the dirtiest of dirty words.

At Bolton this season, for instance, the following was sung to the tune of "When the Saints Go Marching In".

*The Premier League (The Premier League)
Is Upside Down (Is Upside Down).
We're staying up with the City
And the Reds are going down.*

They are resilient at City. "I can't see us losing a match next season," said Long-Suffering. "And if Blackpool come up we'll have a lot of trips to the seaside."

And there was sympathy - of a sort - at Old Trafford. "I'm not happy about City going down," said one lad, laden with carrier-bags. "Well, it's six points, isn't it?"

England tickets on sale, page 21

Lloyd wants home tie

Tennis

JOHN ROBERTS

In keeping with the passing of the Empire, gunboat diplomacy, the stiff upper lip, flannels and the spirit of playing a game for its own sake, the Lawn Tennis Association may offer to huy home advantage from Ghana for Britain's second-round Davis Cup tie the weekend after Wimbledon.

The price could be around £25,000, and VIP treatment at the All-England Club championships may be part of the package. Such a move would seem to risk further ridicule from the rest of the world, who never cease to be amazed at how millions of pounds of Wimbledon profits have failed to nurture national winners.

David Lloyd, the Davis Cup captain, appears not to care. His

priority is to capitalise on the first-round victory against Slovenia by climbing out of the Euro/African Zone Group Two.

"I'll do everything but cheating," Lloyd said, confirming that he would request that the LTA makes representations for the tie to be switched from Accra. A win would give Britain a promotion play-off at home, probably against Egypt.

"I don't think that's bad sportsmanship. I don't think that's bad management," Lloyd said. "My job is to make sure we go up this year, and I really believe we've got a great chance next year [of promotion to the World Group]. You only need to have some home matches. If we can do that, it would be terrific."

Lloyd's chief concern about playing in Ghana centres on the health of his players. "The big

worry, obviously, is that the players don't get ill. Half the time you get ill in these places because you think you're going to get ill. It's a punishing journey, too."

Lloyd rejects any suggestion that he might be running scared. "I'm not frightened of playing them away, because we're going to beat them anyway. Our players are too good to be in the division they're in. We've got to get out. It's actually worth fortunes to this country to be back in that top group."

And how would Lloyd react to such a request if he were Ghana's captain? "I don't know what their bank balance is like. If their bank balance is not too good, then I'd think, 'Yeah, this is a good opportunity.' Their job is to put money back into their tennis, and if they don't think they can win it's better to get something in your pocket."

Patel torments Lancashire

Cricket

DAVID LEWELLYN

Kent 320 and 66-3 dec
Lancashire 47-1 dec and 275
Kent win by 64 runs

Kent have been putting much of last season behind them with a clutch of successes in the Benson and Hedges Cup. Now, thanks to an attack short of Dean Headley and Alan Hughes and a handful of obligingly rash shots from the Lancashire batsmen, they have made the perfect start to their County Championship campaign.

No little credit must go to Min Patel. It can only be a matter of time before he is given serious consideration by England. Having gone with the A team to India a year ago, the slow left-arm bowler has since been overlooked. There is a school of thought which perceives a propensity on Patel's part for howling over the wicket, thus producing negative

cricket. But it takes two, and anyway Patel is generally obliged to put his county before his figures.

Yesterday, whether bowling over the wicket or around it, he contributed to a fascinating day's play against his favourite whipping boys. In his last three matches against Lancashire Patel has helped himself to 26 wickets at the modest cost of 18.2 overs or runs. His 5 for 65 from 28.2 overs only served to emphasise his predilection for being the thorn in Lancashire's side. More importantly for him, one of his wickets was that of the England captain Mike Atherton.

A target of 340 in a minimum of 96 overs had looked remarkably generous, but Kent were determined to blot out their bottom of the table finish last year. Lancashire were looking set to cruise to victory at 190 for 2 when Martin McCague struck to dismiss Neil Fairbrother, who had put on 140 with Atherton, and Nick Speak in a couple of overs.

Patel had been wheeling away at one end and then the other, chipping away at the batsmen's patience and prodding them into foolishness. That came in the last over before tea when Warren Hegg gave Patel's first delivery the charge and lost his middle stump. In the same over, after the interval, tan Austin went for a big hit and holed out at cover.

Then it was Atherton's turn. He had reached 50 in 87 balls and was out some two and a half hours later, having required a further 140 deliveries for his next 48 runs. It was a measure of the caution Patel had induced.

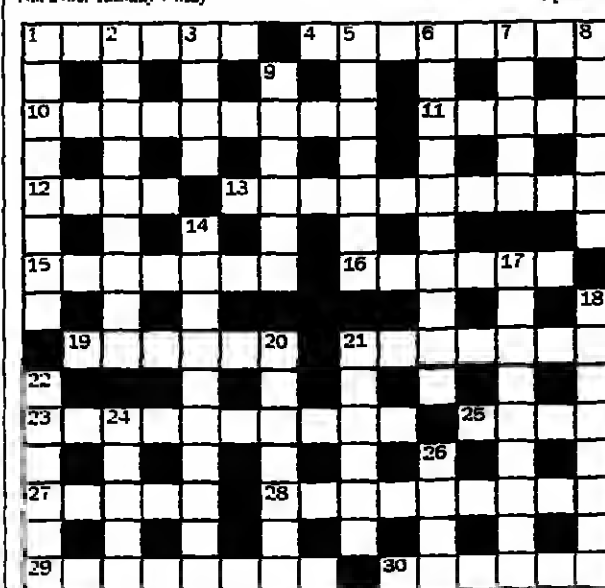
As long as Atherton was there, a Lancashire win was on. Atherton departed to something resembling a swish over mid-wicket, which saw him lose his middle stump to Patel. His fall marked the end for Lancashire, but possibly a beginning for Patel and a great start for Kent.

Scoreboard, round-up, page 18

THE INDEPENDENT CROSSWORD

VINERS OF SHEFFIELD

No. 2980, Tuesday 7 May By Aedra



- Not aware 51 can be housed in plain (9)
- Engrave some fetching characters (4)
- Sum taken by Scottish tourist attraction produces cheer (7)
- Possibly outer limit for soldiers' exercise? (5-5)
- Machine turning this piece of wood needs a bit of extension (5)
- Scotsman drinks hard drink (6)
- Legislation over game and second animal (6)
- Kingly type supported by part of church in obscurity (10)
- Dip in money supply limits right emergency action for subs (5-4)
- In east of France mountains make one alternated (8)
- Fish worker's an expert (3,4)
- Happy woman accepting fate which yields energy (6)
- Fliers going round an indefinite number of times (6)
- Being obese to man can be deadly (5)
- Become aware of the ship's track (4)

Monday's Solution



- Flung about round old president (6)
- Encourages to go round, even providing food? (3,5)
- Battle helmet (9)
- In insult rather extreme (5)
- Jack will not be initially seen in part of church (14)
- Advanced position of leading card player? (10)
- SA part to you and me is revealing? (7)
- Shade of meaning of Greek character can upset European (6)
- Man I vilify without hesitation? (6)
- Fool's means for raising a long-eared animal (7)
- Lads not skating who can take messages (6-4)
- Women will take an hour to suppress one humming noise (6)
- Show disapproval over Information Technology all together (5)
- Translates land into a sign of high regard (9)
- Lo, due! is rendering this impossible? (8)
- Go back, about to yield (6)

- The woman joins one suppressing a prohibition for dance (8)

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